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FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,144 — Thursday October 13 1983 — D 8523 B

Grim inheritance for Israel's new Premier, Page 18

NEWS SUMMARY

GENERAL

Lebanon clashes kill 'at least 40'

More than 40 were feared dead in fierce street clashes between Communists and Moslem fundamentalists in the northern Lebanese city Tripoli. State-run Beirut radio put the figure at 47.

Near Beirut the Lebanese army fought Druze insurgents on the eve of proposed moves to bring the warring factions into negotiations.

The army said that in the hills above Beirut six soldiers were wounded by artillery and sniper fire, a new violatioo of the September 26 truce. The fighting was concentrated on Souq al-Gharb.

Libya frees French

Libya lifted the travel restrictions imposed on 37 French nationals after Greek Premier Andreas Papandreou had appealed to Libyan leader Muammer Gadaffi

Evacuation of 40,000

Nicaragua ordered the total evacuatioo of the 40,000 inhabitants of the country's biggest port, Corinto, where fire raged out of control after an attack by right-wing insurgents.

Odinga released

Kenya's former vice-president Oginga Odinga was released from house arrest as President Daniel arap Moi was installed for a third term.

Arrests in Chile

More than 100 people were arrested and at least three injured by gunfire after the biggest demonstrations against the Pinochet regime in Chile since 1973. Page 5

Peace group held

Soviet police seized members of the Group of Trust peace group when they tried to visit the British embassy in Moscow to collect a letter from UK Premier Margaret Thatcher.

Marbles request

Greece officially asked Britain to return the Elgin Marbles, but the UK Foreign Office said they were legally acquired for the British Museum.

Three killed in Burma

Three Burmese soldiers were killed during the capture of a Korean suspect sought after the Rangoon explosion on Sunday. He threw a grenade. A Burmese film official became the 20th person to die as a result of the blast.

Ban Israel, asks Iraq

Iraq asked the International Atomic Energy Agency to ban scientific cooperation with Israel because of its 1981 attack on an Iraqi nuclear reactor.

Vanderbilt ship found

The wreck of railroad magnate Cornelius Vanderbilt's steamship Lexington, which sank in 1830 with the loss of 146 lives and a cargo of silver coins, has been found in Long Island Sound.

Briefly...

Soviet astronomers spotted Halley's Comet 1.4bn km (840m miles) from Earth.

Austria's first heart transplant operation took place at Innsbruck.

Zimbabwe churches are asked to pray for four weeks for rain.

Amman: Prince Nayef bin Abdullah, uncle of King Hussein of Jordan, died, aged 70.

BUSINESS

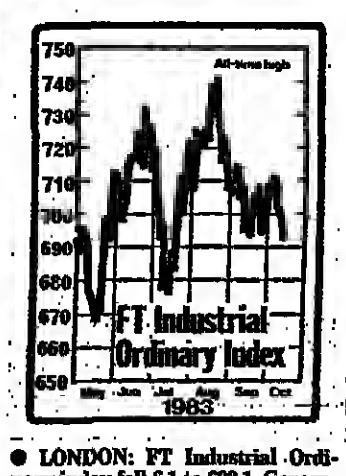
New loan and debt deal for Ecuador

● ECUADOR signed agreements in New York for a new $431m loan from U.S. banks, and for rescheduling of repayments on about $1.2bn debts. Page 20

● DOLLAR was firm, rising to DM 2.6145 (DM 2.588), FFr 7.9875 (FFr 7.91), SwFr 2.123 (SwFr 2.1045), and Y234.25 (Y232.25). Its Bank of England trade-weighted index rose from 125.7 to 126.3. In New York it closed at DM 2.6157; FFr 7.995; SwFr 2.140 and Y234.47. Page 39

● STERLING fell 25 points to $1.504, but improved to DM 3.935 (DM 3.9), FFr 12.01 (FFr 11.915), SwFr 3.195 (SwFr 3.1725), and Y352.5 (Y350). Its trade weighting was recorded unchanged at 83.7. In New York it closed at $1.50. Page 39

● GOLD fell $3.75 in London to $394.875. In Frankfurt it fell $4 to $394.75, and in Zurich the drop was $5 to $395.5. In New York the Comex October settlement was $397.1. Page 38



● LONDON: FT Industrial Ordinary index fell 6.1 to 692.1, Government securities showed modest falls, Report, FT Shares Information Service, Pages 33–35

● WALL STREET: The Dow Jones index closed down 5.49 at 1,259.65. Report, Page 29; Full share prices, Pages 30-32

● TOKYO: Nikkei Dow index pushed up 70.16 to a record 9,563.25. Stock Exchange index was 1.19 up at 697.47. Report, Page 29. Leading prices, other exchanges, Page 32

● SUGAR prices fell again in London, with the daily raw price £7 down at £176 ($264.7) a tonne. Page 38

● AUSTRALIAN businessman Robert Holmes à Court has acquired only 0.24 per cent of Broken Hill Proprietary since making his bid valuing BHP at over A$4bn ($3.6bn).

● POLAND is buying 200,000 tonnes of wheat from Austria. Page 2

● SOUTH KOREA has again cut its foreign borrowing plans, so that its overall debt in 1986 will reach $47.2bn, nearly $2bn lower than the figure a few months ago. Page 4

COMPANIES

● INTEL, U.S. semiconductor maker, reported third-quarter net earnings up from $8.4m to $32.1m. Page 21

● TOYOTA South Africa is to invest R190m ($170m) in expansion over the next two years. Page 22

● CBS, the American media network, improved third-quarter net income by 32 per cent at $33.4m. Page 21

● HONDA MOTOR president Kiyoshi Kawashima, 55, stepped down. Page 21

● NORTHERN TRUST, the Chicago banking group hit by energy loan losses, reported third-quarter income 44 per cent down at $5m. Page 21

Brussels imposes 10-day freeze on farm payments

BY JOHN WYLES IN ATHENS

The European Commission has imposed an unprecedented 10-day suspension on advance payments for farm export subsidies and producers' aids while it determines whether the common agricultural policy (CAP) is now in the midst of a real cash crisis.

The decision announced in Athens by M Gaston Thorn, the Commission President, came after a very embarrassing two days in which the Commission has appeared to be in some internal disarray over whether urgent moves were needed to hold CAP spending down to its budgetary limits.

The 10-day suspension means thet farm exporters will be unable to claim 80 per cent of the EEC's usual export subsidies once their shipments have cleared customs. At the same time, advance payments on EEC aids will be halted to producers of a variety of commodities including olive oil, cotton, certain dairy products, soya beans, tobacco, wine, and sugar.

The move means that, for the moment at least, the Commission is not going ahead with a plan to delay until the beginning of next year a variety of advance payments to farmers worth 600m European currency units ($522.4m).

The decision to leak – on Monday – the plan, which was a personal initiative by Mr Poul Dalsager, the Agriculture Commissioner, disturbed agricultural markets, upset several member states and angered Mr Dalsager's colleagues, who were caught totally unprepared.

Referring to "perhaps hasty announcements," M Thorn said yesterday that it was not the time to opt for a three-month suspension of any payments. He and his colleagues wanted to see the figures before deciding what had to be dooe, he said.

Mr Dalsager's move is seen by his colleagues as politically naïve but an understandable reactioo to the bids for advance payments in November lodged by member states. These were more than 250m Ecu above this year's monthly average CAP spending of 1.35bn Ecu and if repeated in December would leave the agricultural budget some 600m Ecu-800m Ecu short of what was needed.

The 10-day suspension of some payments will give the Commission time to find out from member states next week whether their bids are inflated by a desire to pull in as much money as possible out of fear that there might not be enough money in the Brussels budget in December.

M Thorn held out the possibility of the Commission's deciding some economies on Friday but in Brussels the feeling is that thet is unlikely.

M Thorn gave every impression of being somewhat out of touch with his home base yesterday. The suspensioo is being presented as a precautionary move to ensure that CAP spending is kept within budget, although holding up such payments for such a short period will not, in fact, yield any savings.

● **Our Strasbourg Correspondent adds:** The European Parliament voted last night to adopt a supplementary budget of £984.39m ($1.48bn), together with a budget rebate for Britain worth £180m, rather than be accused of starving the CAP of funds.

The threat to finances highlighted yesterday by the European Com-

Continued on Page 20

German industry sees strong export growth

BY JONATHAN CARR IN BONN

WEST GERMAN industry expects to boost its export sales by an unusually strong 8 per cent next year after achieving only 1 per cent growth this year, according to a report released yesterday.

But the industrialists also expect little improvement on the home market, and they are scaling down their investment plans and will continue to cut their labour force.

This very mixed picture of the prospects for 1984 emerges from the latest survey of company planning carried out by the IFO economic research institute of Munich.

On the positive side, industry sees sharply increased foreign sales, above all of investment goods (up 9 per cent) and consumer durables (up 13 per cent), especially passenger cars.

Industrialists believe the "undervaluation" of the D-Mark against the dollar will boost their export price competitiveness. They also expect bigger sales opportunities from the apparent economic upswing in the Western industrialised countries.

On the other hand, industry expects domestic sales to rise by only 4 per cent next year, after 3 per cent this year, and production to increase by less than 2 per cent.

Further, industrialists intend to boost their fixed asset investment in 1984 by only 2 per cent. This is still above the likely rise for 1983 of 1 per cent, but is well below the 1984 investment volume companies were planning at the start of this year.

Reasons given for the planning change include general uncertainty about the strength of the economic upturn at bome and, in particular, the rise in interest rates since the spring.

Overall, companies expect to reduce their labour force by an average of 1 per cent next year, meaning that about 280,000 industrial jobs will be lost in 1983 and 1984 together. The Bonn Government is already budgeting for an average unemployment figure in 1984 of some 2.5m after 2.35m this year.

If the report's expectations of a relatively flaccid home market and buoyant exports are realised, this would seem to imply a new growth in the German visible trade surplus.

In the first seven months of this year, the trade surplus has been "only" DM 24.3bn after DM 28.1bn in the same period of 1982. Exports have dropped in nominal terms by 2.2 per cent and imports by 0.7 per cent. On the other hand, the German deficit on "invisibles" has fallen so that the current account surplus is higher this year than last.

IG Metall election, Page 20

Witteveen calls for common action on debt rescheduling

BY WILLIAM HALL IN NEW YORK

INTERNATIONAL institutions should play a bigger role in debt rescheduling and, if the International Monetary Fund (IMF) does not have enough money, it should borrow in international capital markets. There should also be a closer association between the IMF and the World Bank.

These are among the main recommendations made by Dr Johannes Witteveen, the former managing director of the IMF, in the annual report of the Group of 30, a "think tank" of central bankers, private bankers and industrialists, which he heads.

Dr Witteveen says he is pessimistic about the economic outlook and that it is no longer plausible to argue that the world's economic ills are still part of the unavoidable transitional price which had to be paid for bringing the great inflation of the 1970s under control. He adds that the international debt problem is unlikely to be solved until the end of the decade.

In a gloomy message in the report, which was released yesterday, Dr Witteveen says volatile interest rates, large swings in exchange rates and massive shifts in budget payments imbalances are not merely symptoms of a longer-than-expected period of adjustment: they show the system is "out of joint."

The Group of 30, whose members include Mr Anthony Solomon, president of the Federal Reserve Bank of New York, Mr Christopher "Kit" McMahon, deputy governor of the Bank of England, Mr Otmar Emminger, former president of the Deutsche Bundesbank, and Mr Denis Weatherstone, chairman of the executive committee of Morgan Guaranty Trust, is arguably the most distinguished group working to improve official and private understanding of the current international debt crisis.

The members participate in a private capacity, although several central banks help finance the body.

Dr Witteveen says that since the Group of 30's last annual report more than a dozen countries have started to renegotiate the terms on about $100bn in debts owed to the world's commercial banks.

"Clearly it is likely to be several years before all borrowers are able to resume full debt service and the debt problem is unlikely to be solved until the end of this decade," Dr Witteveen says.

Dr Witteveen argues that a systematic programme of action is needed.

Brazil and the IMF; Argentine SDRs, Page 5, Ecuador debt agreement, Page 20

Nakasone tested by Tanaka verdict

By Jurek Martin in Tokyo

THE POLITICAL management skills of Mr Yasuhiro Nakasone, the Japanese Prime Minister, are almost certain to be tested severely in the wake of yesterday's dramatic conclusion to the 6½ year Lockheed bribery trial.

This saw Mr Kakuei Tanaka, Prime Minister from 1972 to 1974, sentenced to four years in prison and a Y500m ($2.1m) fine for accepting bribes to promote the sale of Lockheed TriStars to All Nippon Airways while in office.

He therefore became the first peacetime Japanese leader to be convicted of a criminal offence. Four other men were also sentenced for their roles in the affair.

The edge of the coming national debate will lie in Mr Tanaka's defiant attitude: he immediately appealed against his conviction, declared his innocence, and said that he would stay in the Diet (parliament) as long as he had the trust of the public.

Mr Nakasone's problem is that he will have to steer a course between the feelings within his own ruling Liberal Democratic Party, which may not wish to put pressure on Mr Tanaka to bow out quietly, and those of the political opposition, which will seek to strike a public spark of outrage over the affair.

Judging from yesterday's reactions, Mr Nakasone seems intent on resisting opposition demands for Mr Tanaka's expulsion from the Diet, largely because the Prime Minister needs the support of the powerful Tanaka faction inside the ruling party. But the politics of confrontation threaten to be sharp in the weeks ahead.

One consolation for Mr Nakasone lies in the fact that the financial markets appear to believe that he can ride out the storm.

The Tokyo stock market, for example, staged a strong rally yesterday after the verdict was known, more than wiping out its losses of Tuesday in the first hour of trading yesterday. The yen also stabilised on the foreign exchange markets after an early fall.

Japan battens down the hatches, Page 20; Tokyo market report, Page 29

Attack on UK Chancellor's spending cuts

BY PETER RIDDELL IN BLACKPOOL

THE DEEP divisions which still exist within Mrs Margaret Thatcher's ruling Conservative Party over the running of Britain's economy have been highlighted by two speeches at the party's annual conference.

A fresh warning by Mr Nigel Lawson, Chancellor of the Exchequer, yesterday of the need to hold down public expenditure was challenged by Sir Ian Gilmour, former Cabinet Minister.

Sir Ian attacked "housewife economies" and argued that the Conservatives bad won the June election oot because of their economic policies but in spite of them.

Mr Lawson stressed his commitment to lower taxatioo, "because it is the only way to keep our economy on the move." He warned, though, that "the pressure for ever-higher public expenditure remains unabated. Yet if we cannot abate it, so far from there being any questioo of lower taxation, the prospect is one of tax increases."

He listed various actions that overseas governments had taken to cut back on welfare payments and services and said: "At home hard choices will have to be faced," adding "of course, we stand by all the pledges we have made."

His speech was not specific about spending cuts because the Treasury is in the middle of its annual public expenditure review which is due to come to a bead later this month. Ministers have been continuing their private discussions oo the review away from the coofereoce.

An indicatioo of the likely reaction of the "wets" – Conservative moderates – to any tough measures came in the broadside from Sir Ian.

He said that talk of economising on unemployment benefit would be "an affront to common sense" and would double-cross the unemployed. He argued that cuts in public expenditure had little to do with economic strategy and they would not solve the Government's problems, while they would probably turn out to be objectionable on other grounds.

Sir Ian also challenged Mr Lawson's optimism about continuing economic recovery. The Chancellor had said that the UK economy was growing by up to 3 per cent this year, rather than the 2 per cent forecast at the time of the March budget. Sir Ian argued that the rise in output had not been sufficient to qualify as a recovery and could not be sustained. He said the economic outlook was grim.

Mr Nigel Lawson – 'housewife economies' under attack

Sir Ian reiterated his previous calls for reflatioo accompanied by an incomes policy to replace the Government's preseot policies.

His speech was delivered to an evening meeting outside the main forum of the conference. During the earlier economic debate at the coofereoce itself only a couple of speakers took his view. The prevailing mood was in favour of public expenditure cuts.

There are also considerable differences of opinion amoog the critics of the present governmeot strategy. Sir Ian's support for expansioo is shared by Mr Edward Heath, the former Prime Minister, but Mr Francis Pym, the former Foreign Secretary and, to a lesser extent, Mr Peter Walker, the current Energy Secretary, are more sceptical about such measures. They stress instead the need to counter the probable continuation of high unemploymeot with job sharing, extensive training and early retirement.

The cooference today is likely to be dominated by the appearance of Mr Cecil Parkinsoo, the Trade and Industry Secretary, who is due to reply to a debate. Although there was no meotioo of his name yesterday his admitted affair with a former secretary has undoubtedly dampened spirits at the conference and his long-term future remains in doubt.

Conference report, Page 7

CONTENTS

Yugoslavs face 1984 with open hands for aid

BY DAVID BUCHAN IN LONDON AND ALEKSANDAR LEBL IN BELGRADE

YUGOSLAVS feel like Sisypbus in trying to roll their debt burden uphill. No sooner had they managed this summer to trim their trade deficit than the International Monetary Fund was plunged into general crisis, making uncertain the further IMF aid which Yugoslavia needs as the key to servicing its 1984 debt of nearly $5bn.

Compounding this is the fact that Yugoslavia is still haggling with some of its 600 commercial bank creditors over details of the September 9 agreement, by which the banks are to lend $600m in new money, reschednie $1.2bn in longer term debt due this year, and maintain short-term credit lines for two years.

This is part of the wider $4bn rescue package, to which Western governments and central banks, the IMF, and the World Bank contributed. Because of the large slice of aid it received this year, Yugoslavia hardly seems deserving of—nor will it get—help in 1984 on the same scale, although there remains a considerable Western political stake in this non-aligned country's economic well-being.

It was always clear that Yugoslavia would bave to resebedule some of its 1984 maturities. The banks, however, made it plain that they would only do so if Yugoslavia kept on an IMF programme beyond the expiry this December of its three-year Fund standby credit.

Far from this looking possible at the moment, there is even a possibility that the IMF may have to delay disbursement of its last credit tranche in mid-November, owing to the nntied ends in the 1983 bank rescheduling deal.

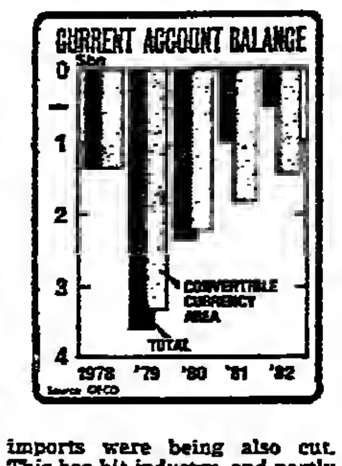
Despite these question-marks over its capital account, Yugoslavia has licked its current account into better shape than many thought possible. By the middle of last month the hard currency trade deficit was narrowed to $1.6bn, 11 per cent less than in the first nine and a-half months of 1982.

Exports invoiced in convertible currency have improved this year, up 15 per cent by mid-September, while hard currency imports have barely risen. The possible upsbot is a hard currency current account deficit of $500-800m this year, compared with $1.4bn last year. The Government is now aiming at $500m surplus on current account next year.

But the IMF and the more far-sighted foreign bankers are concerned about lack of adjustment in the internal economy and in particular about inflation, now accelerating to an annual pace of nearly 60 per cent. In September prices rose by 7.6 per cent over August, an all-time record for the month.

The IMF has persuaded the government of Prime Minister Milka Planinc to tackle inflation indirectly through monetary policy rather than directly by administrative price-fixing, at best an inefficient instrument; under what was laughably called a "freeze," prices rose 36 per cent between mid-1981 and mid-1982.

But IMF monetarism is clearly not having the desired effect either. Private spending, with real wages dropping 10 per cent this year and pensions by even more, has been hit more than public spending, which though technically "frozen," is being fed by fixed rate levies on inflation-swollen nominal corporate incomes. Bank interest rates still lag behind the inflation rate, which is why investment—supposed to suffer the axe—is rising again.



Yugoslovia has also had some bad luck, with factors beyond its control. A prolonged drought has drastically reduced the availability of hydroelectric power, just at a time when oil imports were being also cut. This has hit industry, and partly explains why, despite the new commodity credits now offered by Western governments for Yugoslavia to import, industrial production has stagnated, up only 0.3 per cent in January-August on the same period of 1982.

But most of the country's problems are man-made, or tha fault of the creaky federal decision-making system rather than of the Government itself. After reorganisng the banking system this year, the Government set about introducing tax changes, prescribed by the IMF to soak up excess demand. It proposed a 5 per centage point rise in property tax rates, and increased levies on farm land and cars, among other things. Some of these were badly drafted. But the general uproar caused the Government to retract virtually all its plans as the federation's eight constituent republics and provinces started to pick them to pieces.

Mrs Planinc bas shown more will than most Yugoslav leaders to make her country take its economic medicine. She will undoubtedly find common ground on this with Prime Minister Margaret Thatcher, when she makes an official visit to London in mid-November.

East German reforms questioned

By Leslie Colitt in Berlin

NET PROFIT has replaced gross industrial production as the key economic indicator for East German industry, according to the German Institute of Economic Research (DIW), which notes, however, that companies are so bighly restricted in the use of profits that they do not function as on "economic lever" to improve efficiency.

A DIW analysis of East German efforts to improve industrial efficiency says there has been an attempt to develop en incentive system rewarding the economic use of resources and a high level of exports. There has also been a flood of administrative decrees recently to control Industry, which, DIW says, contradicts the incentive system.

A decree was issued in July to establish norms on the maximum level of raw materials consumption by companies in order to reduce the waste of materials. Transport norms were decreed which aimed to lower transport costs. Another decree was issued stipulating that materials stockpiled by factory directors, which are not to be used in the current year or following year, must be disposed of economically.

DIW notes, though, that this does not cover the most frequent obuse, which is overstocking of materials by state companies for current production.

In August East Germany issued a performance control decree stipulating the annual rendering of accounts by the Director General of the Kombinate, the industrial combine, heads of foreign trade enterprises and company directors to their superiors.

The new decree is far more detailed than the one it replaces and emphasises export profitability and hard currency earnings.

A decree was issued in April providing for a 6 per cent fine on companies which do not put their investments into operation on bime and a 6 per cent fine if their equipment is not used optimally in several shifts. The problem here as East German officials admit, is thot the erratic materials flow, lack of tools and the frequent breakdowns undermine additional shifts.

The most important regulation and potentially the most beneficial one, DIW says, provides for a 70 per cent levy on company wage funds by the state, which is designed to see that labour is used more efficiently.

Poland imports Austrian wheat with new credit

By Christopher Bobinski In Warsaw

POLAND is importing 200,000 tonnes of wheat from Austria financed by a grain credit worth Sch 250m ($13.5m), the first new agricultural credit raised since post-martial law sanctions were imposed last year.

The credit was agreed last month and preceded a five-day visit to Warsaw by Herr Gunther Haiden, Austria's Agriculture Minister, which ended on Tuesday.

So far this year Poland has imported about 2m tonnes of grain almost entirely for cash. Outstanding pre-martial law grain import credit lines from France and Canada ran out in 1982.

The main grain suppliers this year have been France, Britain and Turkey, though 600,000 tonnes have also come from the Soviet Union.

The U.S. Agriculture Department estimates that Poland will import about 2.5m tonnes of wheat in the 12 months starting last July and will also buy about 600,000 tonnes of corn.

Lack of credits and the political tensions between Poland and the U.S. mean that major wheat sales have slowed to a trickle,

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Portuguese budget for Parliament next week

By Diana Smith in Lisbon

THE PORTUGUESE cabinet met yesterday to finalise the details of an austere budget for 1984, ensuring that, for the first time in years, the document reaches parliament by its mid-October deadline.

The inability of previous governments to prepare their budgets in time forced the civil service and public sector companies to scrape by on monthly allocations, compounding already-chaotic budgeting procedures.

Full details of the budget will not be known until it is delivered to parliament early next week, but it is understood that the 1984 deficit has been set at Esc 172bn (£924m).

This is a reduction of Esc 32bn compared to the true 1983 deficit of Esc 204bn that only came to light after Sr Mario Soares's Socialist-Social Democrat coalition took over in June from a centre-right administration that claimed to have reduced it to Esc 150bn and 8 per cent of gross domestic product.

To comply with the IMF requirement that the 1983 deficit be cut to 8 per cent of gross domestic product, Sr Ernani Lopes, the Finance Minister, has had to prune Es 11bn from 1983 public sector investments and introduce a highly-unpopular last-minute Es 18bn tax package.

Next year, when interest due on the accumulated public debt could be Es 219bn against Es 160bn in 1983, there will be no nominal increase in Es 33bn funds for public enterprises. This is a real decrease of 25 to 26 per cent taking 1983 inflation into account.

The companies will receive an Es 5bn allocation from the exchange risk guarantee fund as steady escudo devaluations and their accumulated foreign debt have hit them particularly hard.

The 1984 budget which, by agreement with the IMF, must not have a deficit of more than 6.5 per cent of GDP, is the cue for the most painful period of the 18-month austerity drive promised by Sr Soares. Its only real increases are in education and social spending. The squeeze on all other departments will affect the national economy and forcibly slow growth.

As the Government braces itself for bitter parliamentary debates next week when the Communist Party will demand an account of economic policies, M Andre Chandernagor, the French Minister for European Affairs, arrives in Lisbon to discuss the touchy state of EEC negotiations.

Machel gains promise of extra credit

By Our Lisbon Correspondent

PRESIDENT Samora Machel of Mozambique has left Portugal after an exuberant five-day official visit with the promise of an addition to the $100m credit line set up some years ago by the Bank of Portugal for buying goods ond services.

He called on Portuguese businessmen to avail themselves of a forthcoming Mozambican foreign investment code which, he said, would give them preferential treatment.

The President, often described as a Marxist, stortled purists by assuring an audience in Oporto that "businessmen need to make a profit—but they also need investment conditions. The new code will provide these."

Mozambique's development plans call for joint ventures with foreign governments, private enterprise or co-operatives.

Sr Mario Soares, tho Portuguese Prime Minister, stressed that Portugal's limited resources make it hard to do much for Mozambiqua directly. But he hoped for tripartite co-operation with industrialised nations who could add finances and know-how to Portugal's special knowledge of its former colony.

President Machel's visit underlined the powerful emotional ties that bind the two countries despite the bitter 1964-74 colonial war and Mozambique's rush into the Soviet sphere of influenca after decolonisation in 1975.

EUROPEAN NEWS

Paris puts off Peugeot plans for redundancies

BY DAVID HOUSEGO IN PARIS

PEUGEOT'S PLANS to cut back its workforce suffered a temporary setback yesterday when the French authorities refused the private automobile manufacturer permission to lay off some 2,800 employees at its Poissy plant outside Paris without an improvement in training and redundancy terms.

Tha Peugeot group is seeking to lay off 7,371 employees in its Peugeot and Talbot subsidiaries, with the brunt falling on the Talbot plant at Poissy. The departmental authorities, to whom redundancies must be referred, nevertheless gave Peugeot the go-ahead yesterday on plans for the early retirement of 4,500 of the total.

Peugeot yesterday took consolation in the fact that the Government has now clearly recognised that it has excess labour and that it has no choice but to cut back. After three years of losses totalling FFr 6bn (£500m), the group now expects to make a further loss again this year.

The group said yesterday that it would hasten to prepare a "social" plan to improve redundancy terms. In imposing the delay on it, the Government — through the local authorities is seen as eager to demonstrate its determination to fight rising unemployment. The Government also has a tactical reason in that it wants to avoid large redundancies before trades union elections on October 19.

About 80 per cent of those to be laid-off at Poissy and for whom "re-training" schemes are to be devised are immigrant workers.

Peugeot's plans, announced in the summer, to cut back its labour force have become a test case of the Socialist administration's willingness to approve large restructuring plans involving major redundancies. Peugeot is also believed to be anxious to carry out more lay offs in its Citroen subsidiary.

Belgium urged to buy French helicopters

BY PAUL CHEESERIGHT IN BRUSSELS

THE BELGIAN Government over the next two days will come under pressure from France to buy helicopters worth over £150m from Aerospatiale.

Plans for the re-equipment of the Belgian armed forces will feature in discussions between leaders of the two countries. They will also sign a framework agreement for co-operation in the manufacture of defence equipment.

President Francois Mitterrand of France yesterday evening started a three-day official visit to Belgium, the first one by a French President for 12 years. He was accompanied by a team of Ministers who will have discussions with their Belgian counterparts.

Belgium plans next year to buy 46 helicopters to replace 25-year old Alouette machines, also built by Aerospatiale. The chance of meeting this order has attracted offers not only from Aerospatiale, but also from Westland of the UK, MBB of West Germany, Agusta of Italy and Sikorsky Aircraft and Bell Helicopters of the U.S.

The French arguments for Aerospatiale are unlikely to provoke the Belgian Government into a quick decision, officials in Brussels said.

Apart from technical consideration, the final choice will be influenced by the nature of any manufacturing offset agreements which can be negotiated.

This takes the negotiations into the thickets of Belgian politics. Although the Belgian aviation industry has traditionally been based in the French-speaking part of tha country, the Government has to accommodate increasingly insistent demands from the Flemish part for a greater share of local manufacturing.

Other bilateral matters which will be taken up during President Mitterrand's visit, and which also have a bearing on future contracts for Belgian companies, include:

- the extension of the French high speed train network to link Paris, Brussels and northern Germany;
- the construction of a nuclear power station at Chooz on the Franco-Belgian border.

President Mitterrand and Mr Wilfried Martens, the Belgian Prime Minister, today will examine the progress of the strategic missile negotiations

Arms sales fall sharply

BY OUR PARIS CORRESPONDENT

NEW ORDERS for defence equipment placed with French companies fell sharply in the first half of this year largely as a result of tha financial difficulties of the Middle East oil producing countries.

Figures released by M Charles Hernu, the Minister of Defence, show that orders fell 27 per cent to FFr 19.2bn (£1.6bn) in the first six months of the year compared with the corresponding period in 1982.

Defence officials yesterday said that the fall also reflected the much tougher worldwide competition over arms sales and the demands of purchasers for more complicated technology transfers and turnkey production units. But they also pointed to negotiations in the pipeline for major aircraft and equipment sales with Greece, India and Spain

France was the third largest seller of arms in the world in 1982 according to the Swedish-based International Institute for Research on Peace with total sales of $7.2bn.

Ministers earn rebuke from Thorn

By John Wyles in Athens

EEC MINISTERS wound up their special three-day negotiation here yesterday having made such limited progress towards Community reform that they earned a sharply worded rebuke from M Gaston Thorn, president of the European Commission.

M Thorn was scathingly critical of the procedures laid down by the last EEC summit in June for trying to reach a politically complex package of agreements by the next heads of government meeting in Athens in December.

The decision to hring together 30 foreign finance and agriculture ministers in one forum was proving a real obstacle to launching a proper negotiation, be said. It was more like a parliament than an executive.

His donbts about whether the necessary agreements can be reached at the December summi t reflects the deepening anxiety within the Commission about the growing squeeze on the EEC's finances caused by the rising cost of the agricultural policy.

Tha suspension of advance payments on export subsidies and other aids announced by the Commission yesterday is a pointer to the extreme difficulty with which the EEC will weather the next year or so before there can be any lifting of the ceiling on its budget revenues.

Part of the aim of this week's meeting has been to prepare measures which will win tha necessary British and West German support for expanding the EEC budget. But on the issues of agricultural economies, reducing Britain's net payments to the budget, and developing existing and new EEC policies, Ministers revealed only marginal shifts in national positions.

They chose instead to hand the negotiating baton back to varions gronps of senior officials and to a newly-created committee of junior Agriculture Ministers. These will now continne the search for greater consensus in preparation for another special three-day meeting of the Council of Ministers in Greece next month.

During the final phases of this week's meeting, Foreign and Finance Ministers tried to identify some priority areas for the development of new policies for political endorsement by the December summit.

There was no conclusive agreement, however, because each member state wanted to press its own special concerns. At the end, each delegation thought it had had some success, with the result that lists of apparently agreed priorities did not tally.

Variously mentioned were transport, tha environment, industrial co-operation, energy and telecommunications, and improving the internal market.

Nor did the Council issue, as bad been hoped, unambiguous demands for progress in negotiations scheduled for tha next few weeks by other ministers on removing internal barriers to trade, completing a Community research programme and developing a solid fuels policy.

Extremely disappointing from tha Commission's point of view is the fact that the special council is not offering much backing for its efforts to dnb development of tha European monetary system as a priority area. This will be left in the hands of economies and finance ministers where British reluctance to join the exchange rate mechanism remains unchanged and West German opposition to giving currency status to the European currency unit is undiminished.

West braced for Warsaw Pact broadside over Nato missiles

BY ANTHONY ROBINSON

WARSAW PACT foreign ministers meet in Sofia, the Bulgarian capital, today to issue what Western diplomats expect will be a strong condemnation of Nato missile deployment plans and an outline of the Pact's collective response to them.

The regular six-monthly meeting has taken on a special significance because it is the last before the expiry of Nato's year-end deadline for deployment of U.S. Cruise aid Pershing 2 missiles in Western Europe failing an acceptable U.S.-Soviet agreement at the intermediate nuclear force (INF) talks in Geneva.

Moscow has hinted on several occasions that Nato deployment will be matched by a corresponding build-up of new Soviet weapons in the territory of its East European partners and elsewhere.

Marshal Dmitri Ustinov, the Soviet Defence Minister, said last month: "If the U.S. continues its delaying tactics at the Geneva talks and begins the actual deployment of American ballistic and Cruise missiles in Europe, the Soviet Union will take timely and

Marshal Ustinov

effective counter-measures to preserve the balance of forces on a European and global scale."

Such measures are expected to include replacing ageing short- and medium-range nuclear and conventional missiles by more accurate and sometimes longer-ranged missiles in East Germany and other East European countries.

The Soviet Union's Asian neighbours fear that it might also step up deployment of medium-range land, and airborne weapons based in the Soviet Far East and directed at the West Coast of the U.S., but within range of Asian targets, too.

Although Moscow has put strong pressure on its East European allies to support fully its uncompromising line on Nato deployment, Romania has expressed its disquiet about the prospect of further additions to nuclear and other force levels —both East and West.

There is also little enthusiasm elsewhere in the bloc.

After the two-day meeting, Mr Andrei Gromyko, the Soviet Foreign Minister, flies to Vienna to brief Herr Hans Dietrich Genscher, his West German counterpart, on its outcome and to discuss a broad range of bilateral and East-West issues, including the progress, or lack of it, at Geneva.

This encounter was originally scheduled to take place at the United Nations and was re-arranged for Vienna by Mr Gromyko following his non-appearance in New York.

Moscow likely to quit Geneva talks

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT, IN LONDON

U.S. AND Soviet negotiators held a further round of talks in Geneva yesterday on intermediate-range missiles and have agreed to meet again next Tuesday.

However, the U.S. has apparently failed to persuade the Soviet delegation to agree to an agenda for the talks which would involve a recess for Christmas and a resumption in January.

This has led Western arms negotiators to view the future of the talks as increasingly precarious. Suggestions that the Soviet delegation is planning an immediate withdrawal were being discounted yesterday, but the belief is growing that it will do so within the next few weeks.

It is understood the Soviet negotiators at the talks have privately threatened withdrawal. However, Mr Leonid Zamyatin, a close adviser of President Yuri Andropov, said publicly in Bonn yesterday that Moscow would break off the talks if Nato deployed the new missiles.

Behind the Western pessimism is the conviction that tha Soviet Union is not interested at the moment in concluding any sort of agreement to limit medium-range missiles in Europe.

Western officials say Moscow recognises that the only sort of agreement now available is one which would involve some deployment of the U.S. cruise and Pershing 2 missiles in Europe. By accepting this, say the officials, the Soviet Union would be "blessing" the deployments which would be counter-productive to its desire to encourage opposition to them among the European peace movement.

Nato has said it will begin deployment at the end of this year unless negotiations in Geneva make it unnecessary.

The U.S. would like the Geneva negotiations to continue into the New Year, even after deployment has begun. Key U.S. officials now seem to believe, however, that Moscow will pull out of the talks in November or December—after, rather than before, the demonstrations throughout Europe against missile deployment which are planned to start at the end of this month.

OVERSEAS NEWS

Seoul reduces borrowing plans

BY ALAIN CASS AND ANNE CHARTERS IN SEOUL

SOUTH KOREA has cut back again on the amount it plans to borrow abroad over the next two years.

Private estimates by the country's Finance Ministry now predict that South Korea's overall debt in 1986 will reach \$47.2bn (£31.4bn).

This represents a drop of nearly \$2bn over the figure of a few months ago—a drop of over \$16bn over the figure originally envisaged when the current five-year plan which ends in 1986, was drawn up.

South Korea is Asia's largest dabtor with \$38.8bn outstanding at present and tha third largest in the world after Brazil and Mexico. Finance Ministry officials predict a rise in overall foreign debt to \$40.7bn by the end of this year.

Although the drop in external borrowing is dua in part to tha fall in the price of oil and the easing of world interest rates, the further revision of the country's borrowing requirements reflects an increasingly cautious approach by the Government.

This is likely to be reinforced in the wake of Sunday's terrorist bomb attack in Rangoon which killed key members of President Chun Doo-hwun's economic team.

Bankers say the crisis will have no effect on Korea's borrowing ability and so a \$500m loan being put together for the Korean Development Bank by a Western consortium is going ahead on schedule.

Meanwhile, tha bodias of the Rangoon dead—who included four Ministers and two key presidential advisers—lay in state yesterday as preparation for today's funeral went ahead.

South Korea yesterday asked to interrogate the suspect arrested by Burmese police on Tuesday after the explosion, who is described as "Korean." President Chun has accused North Korea of planting the bomb which killed 20 people and injured 48 others. (In Rangoon, police captured a second "Korean" who had fled to avoid questioning, the government radio said.)

Foreign investors and Korean businessmen are waiting to see whom President Chun will appoint to succeed his economic advisers who died in the explosion. The appointments will demonstrate whether Korea intends pursuing its controversial economic policy of liberalisation and reform.

Diplomats take the view that President Chun will opt for continuity but say the policies are likely to be delayed.

'Too many' Australian car makers

BY COLIN CHAPMAN IN SYDNEY

THE CHIEF EXECUTIVE of Australia's five motor manufacturers and union leaders yesterday began an intensive aight-week exercise designed to hammer out a plan to rationalise the country's ailing car industry.

The present motor vehicle policy — based on substantial protection for local manufacturers and an export credit plan so that those who export products can bring in more imported parts or finished vehicles —comes to an end next year.

In the last half-year only one manufacturer, Ford Australia, reported o profit.

Chairing yesterday's first session of the Car Industry Council, established by the Hawke Government to undertake this latest inquiry, Senator John Button, Minister for Industry and Commerce, made it clear Australia would no longer support five manufacturers. With hindsight, Senator Button said, Australia should have had no more than two or three.

The Government wants the council to consider either a reduction in numbers or some rationalisation of component or assembly lines.

Senator Button described the establishment of the council as the industry'a "last chance" to examine its problems. "If it fails, the Government will be forced to make its own decisions," he said.

The Minister added that the council's terms of reference made it clear the Government's conviction was "that exposure to the discipline of import competition is necessary for the healthy development of the industry."

'Major fraud uncovered'

BY OUR SYDNEY CORRESPONDENT

THE Royal Commission into the octivities of the Painters ond Dockers Union in Victoria bas said it has uncovered a major international fraud ollegedly run by a company in Australia, the commissioner, Mr Frank Costigan, revealed yesterday.

Mr Costigan was commenting on the first part of the commission's interim report tabled in the Victorian parliament by Mr Jim Kennan, the State Attorney-General. Two further volumes of the report are being withheld, with the Government saying that publication would prevent a fair trial for people charged.

Early in the inquiry it became opparent there were ramifications for the taxation department, the National Securities and Exchange Commission, the Corporote Affairs Commissions in two states, and the police forces of Australia," Mr Costigan said.

"We have now reached a point where I perceive the need for some legislative and administrative action."

Among the reforms called for are computerisation of all Australian company records as a matter of urgency and tougher regulations on the opening of bank accounts.

China starts party purge campaign

BY MARK BAKER IN PEKING

THE CHINESE Communist Party yesterday launched a three-year campaign to purge its membership – with o warning.

In a 13,000-word document, the party's Central Committee confirmed plans for mass expulsions, strict measures to counter corruption and the granting of more memberships to women and youth.

But the Central Committee said officials should "guard against the erroneous practice of the past of ruthless struggle and merciless attack."

In a clear reference to the 11-year Cultural Revolution in which millions of Chinese were persecuted, it said: "It is absolutely impermissible for anyone to take advantage of the party consolidation to whip up factionalism."

The document said anyone who used "factionalism" to persecute others, make false charges or settle grudges would be punished.

The Central Committee said no "quotas" had been set for the campaign.

Lebanese factions invited to talks

THE LEBANESE Government was sending invitations yesterday to all the country's warring factions to talks today to prepare for a full "national réconciliation conference," a Government spokesman said, Reuter reports from Beirut.

The Government had set October 20 as the date for the full conference, but the factions had yet to agree on a venue for this, he said.

Gandhi reacts to Sikh pressure

BY K.K. SHARMA IN NEW DELHI

WHEN AN armed band of Sikh extremists hijacked a bus on a lonely highway in Punjab state and brutally gunned down its Hindu passengers last week, Mrs Indira Gandhi, India's Prime Minister, realised that what she had on her hands was not simply another outbreak of the state's long-running communal agitation.

This was the first cold-blooded act of terrorism from the Sikhs and signalled the start of a new major insurgency, a direct challenge to the authorities on Sikh demands for secession.

As in India's north-eastern states, where large contingents of the Indian army have been battling tribal insurgents for years, the Sikh rebellion in the north-western state of Punjab is now to be tackled with force. Although the army has not yet been called in, thousands of paramilitary forces have been deployed.

The rebellion, involving a small but determined group of militant extremists, is yet another grim reminder that the unity of this heterogeneous country, with 17 distinct linguistic groups and several religious and ethnic factions, is at best tenuous.

It poses serious political and economic risks, owing to the state's special character. Punjab is India's most agriculturally advanced state, producing nearly 40 per cent of its grain. It also shares its border with a hostile Pakistan.

The bus shooting amounts to a declaration of war by Sikh extremists on Punjab's Hindu minority. In a country where Hindu-Moslem clashes are common, this is a dangerous provocation indeed.

Mrs Gandhi, recognising the threat of chaos in Punjab, lost no time in imposing direct administration on the state under the constitution's emergency provisions. But her Government has so far failed to address the issues involved in the conflict, and unless they are dealt with quickly the situation can only deteriorate.

Not long ago, the Sikh extremists were considered a small band of cranks with only a limited following. But they have rapidly gathered strength, largely because of o prolonged deadlock over the Sikh community'o religious and political demands. Mrs Gandhi's refusal until recently to talk to moderate Sikh leaders has fuelled the growth in the extremists' influence.

Now, Mrs Gandhi has offered talks on the Sikhs' demands, but the move – which Sikhs consider o half-hearted political ploy – was effectively spurned by community leader this week.

The Sikhs' political arm, the Akali Party, is sharply divided over how to press the group's demands, which include more autonomy and territory for Punjab, a larger share of the waters of rivers flowing through the state for irrigation, and privileges for practising the Sikh religion.

Mrs Gandhi has said she cannot concede the main demands – autonomy, territory and river waters – as the rights of other states are involved.

Nevertheless, both states have governments ruled by Mrs Gandhi's Congress (I) Party, so had there been the political will for a settlement the Prime Minister could have acted long ago.

Instead, the deadlock over Sikh demands has persisted since the Akali Party launched what was intended to be a peaceful campaign of agitation more than a year ago. Agitation has escalated, and there has been an increasing number of murders, bank robberies, attacks on police stations and raids on arms stores. Sikh leaders this week decided to continue the campaign.

Mrs Gandhi'o decision to impose effective emergency rule in Punjab suggests that she believes the extremists have gained sufficiently in strength to warrant something approaching an anti-insurgency operation.

Brazil prepares package to meet IMF conditions

BY ANDREW WHITLEY IN SAO PAULO

A NEW package of fiscal measures and salary adjustment guidelines to replace Decree Law 2045, the IMF-imposed wage limitation bill which has encountered considerable hostility from the Brazilian Congress, is at an advanced stage of preparation.

Last week President Joja Figueiredo announced that ha was prepared to consider alternative measures which would have the same overall impact on the control of inflation and public spending.

Among the points being discussed between Government Ministers and the officially-backed Partido Democratico Social (PDS) are:

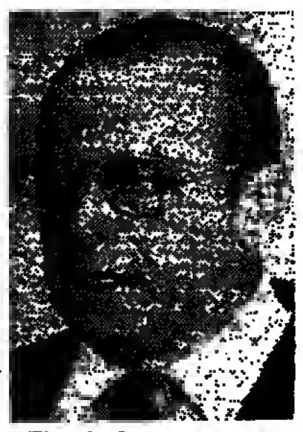
● A gradual return to the free negotiation of wages, while preserving the all-important ceiling of 80 per cent for inflation-adjusted wages increases.

● Higher corporate taxes, particularly on dividends and open market profits. A new top personal income tax band of 60 per cent is also under consideration.

● The maintenance of price controls in key sectors of industry at their present level, whereby rises of up to 80 per cent of the official inflation figure are permitted.

● The freezing of the public sector wage bil—a major drain on the Government's finances at its end September level.

The report of a working group of leading PDS Deputies and Senators, the so-called "Group of eleven" which bas been seeking a way out of the impasse which the unpopular



Figueiredo . . . seeking compromise.

Decree Law 2045 caused between the Figueiredo Government and Congress, was dua to be presented shortly.

The 60-day period within which Presidential decrees such as the wage limitation bill has to be approved or rejected by Congress terminates this coming weekend. On present indications, the bill will be rejected.

This is the reason for the urgency to find alternative measures which will still satisfy the International Monetary Fund and Brizal's bank creditors. The Government is taking serious steps to put its own bouse in order. The IMF board, due to meet in mid-November, is highly unlikely to approve the resumption of lending to Brazil without the implementation of Decreed Law 2045 or an acceptable substitute.

Chile sees biggest protests since 1973

By Mary Helen Spooner in Santiago

OVER 100 people were arrested and at least three people were injured by gunfire during mass demonstrations against General Augusto Pinochet's regime in Santiago and several other Chilean cities on Tuesday night.

Approximately 50,000 people took part in an anti-Government rally in Santiago, demanding a prompt return to democratic rule in Chile. The gathering had been authorised only the previous day by authorities, but attracted the greatest number of people in any anti-government demonstration in Chile since the Pinochet regime came to power in 1973.

A left-wing opposition group, the Popular Democratic Movement (MDP), had called for three days of anti-government protest from Tuesday to Thursday. Chile's most influential opposition group, the Democratic Alliance, which had spearbeaded the last three monthly protests, did not endorse the MDP's call.

In recent weeks, the Chilean opposition movement appears to have splintered, with new organisations such as the MDP emerging.

New ruler faces growing opposition, writes **William Chislett,** recently in the capital

Guatemala reverts to the ancien regime

ONE OF the first acts of the new military regime in Guatemala, the largest country in turbulent Central America, was to change the identity cards of the country's bureaucrats and remove the slogan "I do not steal. I do not lie. I do not cbeat" which bad been introduced by the deposed President, Gen Efrain Rios Montt. Posters bearing the slogan were also ripped down from street walls.

The action by the new President, Gen Oscar Mejia Victores, who ousted Gen Rios Montt in August, was highly symbolic. Businessmen say corruption is rampant again. The latest story going the rounds concerns a minister who set up a company and sold the remainder of this year's coffee export quota to it, a deal worth $1.5m.

Gen Rios Montt, a fanatical moralist, had alienated most sectors of Guatemalan society by the time he was overthrown. It is a measure of bostile feelings towards the new regime that many of the 7.6m Guatemalans, including some people who openly conspired to get rid of him, now wish that he had stayed in power longer.

Gen. Rios Montt infuriated the majority Catholic population by using his office to promote tha California-based fundamentalist Church of the Word, to which be belonged. He outraged the middle class with bis tax reform measures. He incurred the wrath of the political parties over his ambivalence about returning the country to civilian rule after almost 30 years of military dictatorships under which, by his own admission, 150,000 people were killed. And be provoked an international outcry with his secret courts which tried and shot several alleged terrorists.

But it is now accepted that he brought a measure of peace and security and swept a modest broom through the military. The activities of the notorious right-wing death squads decreased. He began to talk about reforming the country's distorted land tenancy structure. Land is concentrated in the hands of a tiny minority, and this is producing intense social pressures.

The recent re-appearance in public of Gen Romeo Lucas, who was ousted by Gen Rios Montt in March 1982, is taken as a disturbing sign that the hardline *ancien régime* is back in the saddle.

Tbis is bad news for the Reagan administration, which would like to renew full military aid to Guatemala, suspended in 1977 by President Carter because of Gen Lucas's grisly buman rights record, so that thet country's left-wing guerrillas can be dealt a mortal blow. Guatemala is the linchpin in Central America because of its size and strategic position close to Mexico's giant oil fields.

But the U.S. Congress, already rebelling over the administration's policy towards El Salvador and Nicaragua, is far from satisfied that Guatemala is making any real progress towards democracy and that it deserves arms.

Gen Mejia Victores has abolisbed the special courts and lifted the state of alarm. He has also thrown his weight behind the U.S.'s Central American policy, from which Gen Rios Montt distanced bimself—much to the annoyance of the Reagan Administration.

Earlier this month Guatemala, discreetly backed by the U.S., summoned together defence ministers from the region (excluding left-wing Nicaragua and Costa Rica, which has no army) to ressurect the Central American Defence Council, known as Condeca, whicb has been defunct since the 1969 war between Honduras and El Salvador.

Ministers and General Paul Gorman, the Commander of the Panama-based U.S. Southern Command, who was invited as an observer, agreed to co-ordinate their armies more closely in the face of "Marxist-Leninist aggression," a reference to Nicaragua which the U.S. eccuses of exporting revolution to Central America.

It is widely believed that in the event of a full-scale war between Honduras and neighbouring Nicaragua, Condeca would go into action on the side of Honduras. U.S.-backed Nicaraguan counter-revolutionaries are based in Honduras and are making raids into Nicaragua where the Sandinist rulers fear they will be pushed into a war.

This greater involvement in the region's affairs may earn Gen Mejia Victores more friends in Washington. But U.S. officials say it will not be enough to "sell" him to Congress. Capitol Hill would probably look more favourably upon him if the Constituent Assembly, which is scheduled to be elected next July, were to elect a provisional civilian president until presidential elections in 1985. But Gen Mejia Victores has ruled this out.

The murder of a Guatemalan linguist, Patrico Ortiz, in March when the General was Defence Minister and in charge of the Government's counter-insurgency programme, has left a bitter taste in the mouths of Congressmen.

U.S. officials say Ortiz, who was working for the U.S. Agency for International Development, was killed by soldiers and the Defence Ministry bas deliberately "covered up" the matter. In bitter correspondence between the U.S. Embassy and the Ministry General Mejia Victores offered four different explanations of the death.

Meanwhile fighting has intensified in the rural areas of Quiche and Chimaltenango between guerrillas and the army. The army recently set up its first field bospital in Quiche, which suggests that their casualties are higher than the number reported.

The Guatemalan economy is on its knees. The shortage of funds has deprived the army of equipment. Israel has become the main supplier of small arms and is involved in counter-insurgency training.

Tourism, once a major source of revenue, will earn about $8m this year, compared with $82m in 1979. The country has also been bit by low international prices for its coffee exports and capital outflows. Hard currency reserves are under $50m, less than two weeks' imports.

Gen Mejia Victores has sent the group of young officers who supported Gen Rios Montt into diplomatic exile. There are reportedly rumblings of discontent from within the armed forces. "The last thing Guatemala wants now is a Bolivianisation," said a Christian Democrat leader, referring to Bolivia's history of successive coups by squabbling officers.

Argentina's failure to meet loan criteria worries banks

BY STEWART FLEMING IN WASHINGTON

ARGENTINA'S inability to make an SDR 300m (£210m) drawing under its agreement with the International Monetary Fund is adding to the difficulties facing commercial banks currently negotiating the release of $500m of new funds for the country.

The banks were locked in talks in New York yesterday knowing that they may have to break the terms of their own loan agreement, which requires Argentina to be meeting its IMF economic performance criteria to draw from the banks.

It is understood that as of June 30, Argentina had met the criteria related to the standby agreement of Sdr 1.5bn negotiated with the IMF at the beginning of January.

Subsequently, however, the country did not apply as expected for the IMF drawing, realising that the IMF might be forced to refuse payment because it was beginning to miss the criteria through payments arrears on its bank berrowings and other technical reasons.

Commercial banks are understood to have been anxious to make new funds available and it seemed one solution might be for the release of the money to be tied to a commitment from Argentina to use part of the funds to make good its interest arrears.

But events in Argentina over the past few weeks, including a legal decision (subsequently overturned by an appeals court) blocking commercial loan renegotiations with foreign borrowers, the imposition of exchange controls and other technical problems relating to the IMF programme have moved Argentina away from both the spirit and the letter of its IMF agreement.

A key question now is how the banks will react. In the case of Brazil, the release of bank funds has been contingent on meeting IMF targets and bankers will be reluctant to breach this principle.

With an election ahead, bowaver, political leaders in Argentina will find it hard to endorse steps to bring the country back within the IMF criteria.

Fierce battle over Senate seat as leaders emerge

BY OUR U.S. EDITOR IN WASHINGTON

THE FIERCE competition to fill tha Senate seat left vacant by the death of Senator Henry "Scoop" Jackson narrowed to two men—a moderate Republican and a liberal Democrat—following a special Washington state primary contested by a field of 33 candidates.

Mr Daniel Evans, a former three-term State Governor who was appointed to fill tha seat temporarily last month, easily won the Republican poll. He will be challenged by Mr Mike Lowry, a Democratic Congressman, in the November 8 run-off to decide who serves the remaining five years of Mr Jackson's term.

An Evans victory would increase tha Republican majority in the 100-seat Senate to 55, making it that much more difficult for tha Democrats to win back control in next year's elections. Mr Jackson, though a defence hardliner and a strong supporter of Mr Reagan's foreign and national security policies, was a Democrat.

If Mr Evans' bold on the seat is confirmed, the democrats would bave to pick up a net gain of six seats instead of five in next November's poll to win a Senate majority. The Democrats are hoping to make major inroads in the Senate, capitalising both on opposition to Mr Reagan and on the fact that 19 Repnblicans will be up for re-election, against only 14 democrats.

In Boston Mr Melvin King, a former Massachusetts stata legislator, mada a dramatic showing in the mayoral primary, putting him in reach of becoming the city's first black mayor.

Mr King came second by just ona vote to Mr Ray Flynn, wbo is seeking to continue the city's long tradition of white, Irish-American-based conservative rule. Mr King succeeded in fashioning a "rainbow coalition" of liberal whites, blacks, Hispanics and other minorities in the predominantly white city.

Concern over Kissinger team's choice of evidence

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

DR HENRY KISSINGER has led his special commision on Central America into further controversy by meeting a leader of a rebel group fighting to overthrow the left-wing Sandinista government of Nicaragua during his six-nation fact-finding tour of the region.

Dr Kissinger held surprise talks with Sr Alfonso Robelo, political leader of the Revolutionary Democratic Alliance (ARDE) in Costa Rica on Tuesday, after declining to meet Sr Guillermo Ungo, who occupies a similar position in the guerrilla grouping fighting the U.S.-backed government of El Salvador.

Dr Kissinger bad earlier said that the commission, set up by President Ronald Reagan to examine the region's long-term economic and social problems, would not meet "people who are engaged in guerrilla warfare."

Explaining Dr Kissinger's decision, an American official later said that "there are guerrillas and then there are guerrillas." The commission said that it planned to meet representatives of various rebel groups after its return to Washington.

Dr Kissinger's move, however, was immediately taken by opponents of Mr Reagan's policy as confirmation of the commission's one-sidedness. The El Salvador guerrillas bave already descibed it as "a commission of vultures."

WORLD TRADE NEWS

U.S. and European aircraft manufacturers are intensifying their drive to win new customers. **Michael Donne reports**

British Caledonian order gives Airbus A-320 project a kiss of life

BRITISH CALEDONIAN Airways' decision to spend $240m (£159m) on seven of the projected new A-320 150-seat airliners from Airbus Industrie, with an optioo on another three, has considerably enhanced the prospects of that airliner getting off the ground.

Over the past two years or so, the A-320 has been much talked about, but has won little interest from an airline industry in the throes of deep recession, with sluggish or even nil traffic growth, heavy cash losses and a marked lack of desire to become enmeshed in new aircraft ventures of any shape.

Boeing and McDonnell Douglas of the U.S., have been suffering, too. Boeing, with a wider range of available types (737s, 757s, 767s and Jumbo 747s) has done better than anyone else, while McDonnell Douglas has also had some significant successes with its MD-80 series, of which 274 have so far been sold.

But neither Boeing nor McDonnell Douglas have so far felt able, or willing, to launch their own direct competitors to the projected A-320—the Boeing "7 Dash 7," and the McDonnell Douglas MD-3300—although Boeing claims to be just as far down the road in detailed design of the "7 Dash 7" as Airbus is with the A-320.

Airbus has some advaotages over both Boeing and McDonnell Douglas, but also some significant problems still to overcome, before its A-320 can be considered formally launched.

The advantages are strong French Government and airlioe support, with Air France planning to buy 25 with another 25 on option, and Air Inter, the French domestic airlioe, planning to buy 10 with 10 oo option.

Together with BCal's seven firm and three on option, the A-320 now has a total of 80 aircraft in prospect—not quite enough for a formal launch, but better than nil for the "7 Dash 7" and MD-3300.

Airbus is talking to many other airlines, however, and expects to clinch some more orders soon. One of these could even be Lufthansa of West Germany. Hitherto, Lufthansa has been almost hostile to the A-320, but is oow beginning to recognise that an aircraft of that size might well be suitable for its fleet in the late 1980s.

The big problem for Airbus is that, so far, none of the governmeots of the Airbus Industrie members—the UK, France, West Germany and Spain—has yet formally committed the big sums oeeded (up to £1.5bn) to eoable the programme to go ahead.

French Government interest is strongest, with the promise of cash, but so far no one else has said "yes" to requests from the various aerospace industries.

In the UK, British Aerospace, which elready has e 20 per cent stake in Airbus Industrie, and which will build the wings for the A-320 as it does already for the A-300 and A-310, wants between £300m and £400m for its share of the airframe work oo A-320.

In return for this, it will probably get about 25 per cent of the total work on the airframe, a little more than it does on the present Airbuses.

The work oo the A-320's wings will provide cootinuity of employment for the existing labour force in BAe's Hatfield-Chester division, and perhaps for e few hundred more workers. But it will not provide the massive increase in jobs throughout the industry thet some trades union leaders have been suggesting in recent months in their own lobbying in favour of the A-320.

Airbus A-320 in British Caledonian livery

This is why some companies in the UK eerospace industry, especially on the component and equipment side, feel that the money spent on the A-320 will benefit mostly British Aerospace, with little forthcoming for anyone else.

There is a widespread belief that most of the work on the A-320 has already been allocated by the Airbus Industrie consortium and thet much of the evailable business, especially in the high-technology areas of evionics and other systems, is likely to go to Continental companies.

The argument is that France will not only work on the forward fuselage and flight deck (the heart of the aircraft's systems), but also do 50 per cent of the engine (the Franco-U.S. Snecma-General Electric CFM-56 Dash 4) and undertake final assembly at Toulouse.

Avionics and other systems companies in all those countries will be bidding for the equipment on the aircraft, so that despite any massive UK Government investment, only a small share of A-320 work will accrue to the rest of the UK industry outside British Aerospace.

This could change, however, if the current plan to build a new Rolls-Royce engine in conjunction with the U.S., Italian, West German and Japanese industries—the IAE-2500—comes to fruition. That engine could suit the A-320, and may be chosen eventually by some airlines as an alternative to the CFM-56. The UK would get a 30 per cent share of tha work on the IAE-2500.

This factor is weighing heavily with the UK Government, which is being asked not only for the £300m-plus by British Aerospace, but also for a comparable sum by Rolls-Royce for its share on the prospective IAE-2500.

In the meantime, the UK avionics and equipment companies, while determined to bid for work on the A-320 where they can, and happy to see that venture go ahead (on the basis that any new Airbus airliner must ultimately be good for all European aerospace), still believe that they should also look to the U.S. builders for possible future business.

A study carried out by Boeing earlier this year claimed that, despite the UK emphasis on Airbus, the value of UK civil aviation products sold to the U.S. far outweighed the benefits accruing to the UK from the Airbus programme.

According to the Boeing figures, overall total UK exports of commercial aircraft, engines and parts to the U.S. in 1982 amounted to over $1bn, whereas UK imports from the U.S. amounted to little more than $800m.

Boeing said that its own aviation purchases from the UK to date for its civil jet programme amount to $1.3bn, whereas it claimed that UK income from wing deliveries to Airbus amount to about 70 per cent of that total.

It is clear that the battle between the U.S. giants and Airbus Industrie is only just beginning for the 150-seater market, and that UK companies can expect to be wooed assiduously by Boeing and McDonnell Douglas to participate in their programmes.

While neither Boeing nor McDonnell Douglas has yet decided to launch the rival "7 Dash 7" or MD-3300, they are not likely to stand by and watch Airbus collect all the available orders in a market that many believe will amount to well over 1,000 aircraft by the end of this century in the 150-seat category.

But both are well aware of the eventual need to offer a new, high-technology airliner to compete with the A-320. They are waiting only to see how far the world market follows the lead given by Air France, Air Inter and British Caledonian. If more airlines climb onto that bandwagon, Boeing and McDonnell Douglas will clearly be obliged to start putting their own into motion.

ECGD revamps insurance scheme

BY OUR TRADE EDITOR

A GOVERNMENT insurance scheme for oew overseas investment by British companies is being changed in an effort to win more business.

The main change, announced yesterday, is that the present 1 per cent annual flat-rate premium will be replaced by a range of 0.7 to 1 per cent, according to the political stability of the country in which the investment is made.

The Export Credits Guarantee Department (ECGD), which runs the scheme, hopes thet lower premiums will be made good by the extra business generated.

The changes come at a time when the scheme is in deficit, mainly because of a spate of claims from companies whose remittances from subsidiaries in Nigeria have beeo blocked.

ECGD has now stopped writing political risk insurance oo remittances from Nigeria, where its liability — by far the biggest in any country—is over £37.6m. Claims in the pipeline on Nigeria add up to oearly £1m.

As well as lowering premiums for certain countries, the ECGD is increasing the amount of cover in a oumber of ways.

In its 10 years of existence, the scheme has failed to attract as many customers as hoped.

ECGD officials claimed yesterday that the scheme was highly competitive with the small amount of private sector insurance available: It covered all political risks, including war, and for periods of up to 15 years compared with three on the private market.

Total liability in the 1982-83 financial year was £155.4m on 187 policies.

Japanese may help China with coal slurry pipeline

CHINA may request Japan's help in building a coal slurry pipeline from Inner Mongolia to the eastern coast, say officials of Nippon Steel and C. Itoh, AP-DJ reports from Tokyo.

If China decides to go ahead with the project, Nippon Steel and C. Itoh will lead a group of Japanese companies which would assist China in laying pipeline and constructing four thermo-power generating facilities.

China wants to develop the almost 1,000 km coal slurry pipeline in order to bring coal to four thermo-power generators it plans to build in Zhangjiakou, Tianjin, Qinhuangdao and Jungar Qi, a Nippon Steel official said. The coal would also go to the domestic market, he added.

From this system alone, China could produce 25m metric tons of coal a year.

The coal would be mined at Jungar Qi in Inner Mongolia and carried in a powder-water mixture through the pipeline to Qinhuangdao at the Gulf of Bo Hai just east of Peking, passing through Datong and Zhangjiakou.

Coal at the Jungar Qi deposit is of high quality, the Nippon Steel official said.

The five-year project is planned to begin in 1985 at a cost of $5bn. In order to help finance the project China may ask the Japan Export-Import Bank for assistance of between $1.2bn and $1.6bn.

Komatsu, Mitsubishi Heavy Industries, Hitachi, Nippon Electric Industry, Nippon Conveyor, Sumitomo Heavy Industries and Mitsui Engineering and Shipbuilding are also expected to join in the project.

China is not expected to make a final decision on the project for another six months, the Nippon Steel official said.

● Gullick Dobson International of Wigan, the mining equipment subsidiary of Dobson Park Industries, has signed a technical co-operation agreement with China, which involves the design and supply of an installation of chock shield hydraulic roof supports for the extraction of coal from steep seams.

The roof supports, valued in excess of £2m, are due to be shipped to China in mid-1984, where they will be installed in a coal mine in Hebei Province, north-east Peking.

Mannesmann's India order

BY LESLIE COLITT IN BERLIN

MANNESMANN SEIFFERT, a West Berlin subsidiary of the West German steel pipe and engineering group, has signed a contract with India's Bharat Heavy Electrical company to equip 250Mw units for the Singrauli coal-fired power station in central India.

The contract covers engineering, production of the high pressure pipe work between boilers and turbines and transfer of know how.

Mannesmann has also been given an option to equip the Indian company's planned power stations in Korba and Ramagundam, each with three 500Mw units. The first option is expected to be turned into an order by December and the last by May 1984.

All the contracts together are said to be worth approximately DM 80m (£20m) with a West German Government loan.

It said the current order The agreement is with the China National Coal Import and Export Corporation of Peking and follows several months of discussions.

Reagan move to beat Congress delays on export controls Act

BY CHRISTIAN TYLER, TRADE EDITOR

PRESIDENT REAGAN of the U.S. is expected to take emergency powers tomorrow night in order to keep controversial U.S. export controls in place while Congress renews the Export Administration Act.

The present Act, of 1979, expires on that day and the President's likely move is being justified as a purely technical measure to bridge the gap.

Congress is expected to take another two to three weeks to replace the existing controls. A House Bill sponsored by Mr Don Bonker, a Democrat from California, is already being debated on the floor. A Senate Bill, from Mr Jake Garn (R, Utah) and Mr John Heinz (R, Pennsylvania) has yet to reach the floor. The two bills would then have to be merged.

Unless Congress, which resumes on Monday, gives a further extension to the present legislation, Mr Reagan would invoke the International Economic Emergency Powers Act of 1977.

A similar step was taken in 1976, when Congress was running late. Then the President invoked the Trading with the Enemy Act, a now obsolete statute designed mainly for wartime emergencies.

Mr Reagan's justification for taking emergency powers would be that a lapse of export controls constituted "an unusual threat" to U.S. national security, foreign policy and commercial interests.

It was made clear by a Commerce Department official that the threat lay not so much in any external events, but the internal temporary loss of control.

Export controls are used principally to prevent the export of militarily-sensitive goods to the Soviet Union and its allies. But they also cover exports likely to help crime, terrorism or the suppression of human rights in a number of countries.

Ever since the use of export controls against companies supplying the USSR for the Siberian gas pipeline, their impact on overseas companies has been angrily and consistently attacked by West European Governments and industry.

U.S., Japan in farm trade talks

BY STEWART FLEMING IN WASHINGTON

JAPANESE and U.S. trade officials were expected yesterday to renew their efforts to reach an agreement on trade in agricultural products, one of several areas of tension in the two nation's trading relationships.

The talks ceotre on agreements restricting U.S. sales of beef and some citrus products which are due to run out in March of next year.

The U.S. had an agricultural trade surplus of over $5bn with Japan in 1982 largely reflecting large exports of feed grains and commodities such as soyabean and cotton. Japanese food exports to the U.S. are put at little more than $100m by U.S. officials.

The U.S. has been pressing Japan to open its markets to more agricultural imports, a move which would help reduce the massive U.S. trade deficit with Japan.

The issue of beef and citrus imports (mainly oranges and orange juice) are sensitive ones for Japan, especially with an election expected, since Japan has a strongly protected domestic beef market while U.S. officials can see a growth market for both products at a time when grain and commodity exports are expected to level off.

Earlier it had been hoped that a settlement might have been reached before President Reagan's planned visit to Japan in November. Now, however, some officials in Washington are sceptical.

Prospects for a breakthrough on trade issues before President Reagan's visit thus appear to revolve around Japan's voluntary restraint programme on car exports to the U.S. Earlier this week senators from nine states where cars are produced called on President Reagan to seek a two-year extension of the programme.

They also pressed for a cut in the quota level to bring Japan's market share back to the 16.6 per cent it was at when the voluntary quotas were set in 1979. Japan has hinted that it would like to increase the number of cars it can export from the current level of 1.68m—a move which would suit General Motors which wants to expand its imports of small Japanese cars.

Fire shuts Shell chemical plant

A NEW £100m chemical plant at Shell UK's refinery complex in Ellesmere Port, Cheshire, has been shut as a result of a fire yesterday.

More than 60 firemen fought the blaze which, at its height, could be seen more than six miles away. The fire was brought under control within about half an hour although it took several more hours to extinguish. No one was injured.

Company experts are now trying to assess the cause of the fire and the extent of the damage.

The plant, known as SHOP (Shell Higher Olefins Plant), was commissioned last year to boost the company's production of detergents. It is situated in a remote corner of the big oil processing complex and, according to Shell, there was no danger of the fire spreading to other refinery units. Staff were not evacuated.

● TWO LONDON stock jobbers, the market makers of stocks and shares, yesterday revealed plans to internationalise and expand their businesses.

Bisgood Bishop & Co said that it will begin trading in selected Canadian stocks from October 22 in the London market. Bisgood began dealing in German stocks on October 3.

Smith Bros is planning to trade South African mining stocks and Australian natural resources stocks on the over-the-counter-market in New York from October 17.

● MR ROBERT KNIGHT, former chairman of Sturla Holdings, was remanded on bail until January 12 when be appeared at Guildhall magistrates court in the City of London yesterday charged with conspiring to defraud the company.

Mr Knight and his personal assistant, Mrs Rhonda Sue Davis, who was also remanded on bail until the same date, have been charged with "conspiring with others between January 1 1981, and March 19 1983, to defraud Sturla Holdings by dishonestly causing funds belonging to the company to be paid for their own or another's use, and the dishooest appropriation of the assets of Sturla with the inteotion of deceiving the company and its shareholders."

● CALEDONIAN AVIATION Group, the parent of British Caledonian Airways, has bought the low-fare Jetsave travel organisation from Associated Communications Corporation (ACC) for about £3m. Jetsave offers low-cost travel across the North Atlantic, to the Far East and Europe. It expects to handle about 80,000 passengers this year. It has no aircraft of its own, but operates exclusively as a travel organiser.

● GOVAN, the merchant yard of British Shipbuilders which is fast running out of work, is in line for a £70m roll-on/roll-off ferry order from North Sea Ferries, the freight consortium operated by P&O of the UK and Nedlloyd of the Netherlands. The Clydeside yard will face strong competition from other world yards anxious to build the ships, which will be the largest of their type in the world.

Lloyd's syndicates accused of $400m diversion of funds

BY JOHN MOORE, CITY CORRESPONDENT

REGULATORY authorities of Lloyd's, the London insurance market, have been told that more than $400m was irregularly diverted from the market's insurance syndicates and other insurance interests.

The allegations, which are believed to have been made by business interests in Bermuda, have been studied by the Lloyd's authorities for some months.

The complaint was passed to officials inquiring into other problems within the market and accuses two further Lloyd's syndicates of a diversion of funds.

Lloyd's investigated the charges made against the other syndicates, run by two of the most respected underwriting agents in the market, and decided that there was no evidence to support the allegations.

While Lloyd's has treated the allegations seriously, it has treated them with some circumspection since the parties making the allegation refused to be identified.

Allegations which the Lloyd's authorities have studied say that the money was diverted through "fronting" arrangements or achieved through direct payments by brokers to individuals with bank accounts in Bermuda.

Last week Mr Ian Hay Davison, Lloyd's chief executive, said that between 10 and 20 investigations were currently in progress at Lloyd's, largely concentrating on allegations that money had been diverted out of the market's insurance syndicates to secretly benefit the market's professionals.

An extensive programme of reform is underway designed to ensure that the market's professionals disclose the full extent of all their related business interests in the insurance industry. Until the proposed reforms, these arrangements had largely remained private.

While investigations are still underway Lloyd's has suspended three of the market's professionals until the full facts of the complaints have been established.

BT suspends 100 who obeyed pickets

BY DAVID GOODHART, LABOUR STAFF

BRITISH TELECOM (BT) started yesterday to move telephone engineers into central London by bus in an apparent attempt to bypass the industrial action by members of the Post Office Engineering Union (POEU) against BT's privatisation.

The engineers from the London outskirts, also POEU members, refused to cross picket lines and about 100 were suspended. Further attempts to bus in workers are expected today.

The POEU claims BT is simply trying to increase financial pressure on it by provoking further suspensions. The POEU is committed to paying average earnings to all members on strike or suspended for refusing to work normally.

About 500 engineers in central London, who were suspended on Monday for refusing to sign normal working pledges, returned to work yesterday after the POEU advised them to sign. A spokesman said: "There is no point having people out unless they are taking industrial action."

Journalists to buy shares in parent group

BY ALAN PIKE, INDUSTRIAL CORRESPONDENT

JOURNALISTS on the mass-circulation Daily Mirror decided yesterday to buy 400 shares in Reed International, owners of Mirror Group Newspapers, amid speculation about the newspapers' future ownership.

The decision came at a meeting of the National Union of Journalists chapel – an office branch. The union members hope that as shareholders they will have more access to information and be better able to influence decisions in Reed.

The journalists also decided to ask Sir Alex Jarratt, Reed's chairman, to make a statement of the company's intentions about the newspaper group's future.

There has been speculation for some time that Reed will sell the Mirror Group or float it off as a separate publicly quoted company.

Mr Tony Boram, a Mirror Group director, said yesterday: "No doubt an announcement will be made in due course."

The Mirror Group publishes six national newspaper titles – Daily Mirror, Sunday Mirror, Sunday People, Sporting Life, Scottish Daily Record and Sunday Mail.

Some, particularly the Daily Mirror, are in a crowded and competitive popular newspaper market and the newspapers' fortunes have fluctuated in recent years. Sir Alex told Reed's annual meeting in August, however that considerable efforts had been made "both to restrain costs and to strengthen circulations," resulting in a £4.5m profit compared with near break-even the previous year.

Conservative Party conference at Blackpool

Heseltine urges lead on defence

BY OUR POLITICAL STAFF

BRITAIN SHOULD take a lead in talks with the Soviet Union to reduce international tension, Mr Michael Heseltine, Defence Secretary, said yesterday. He told the Conservative conference that the West would lose credibility if every government was seen arguing publicly about tactics towards the Kremlin.

But, with Mrs Margaret Thatcher, Prime Minister, listening intently, he added: "That is not a case for saying that we should not talk to the Soviet Union.

"Theirs is a harsh, repressive regime, but for lasting peace there has to be an understanding with the Russians. We do not agree with them. We reject in horror the social order that they maintain, but we cannot pretend thet they do not exist."

Mr Heseltine said Britain alone could not determine progress, and warned that it was futile to raise false hopes. But in a speech to the Tory Reform Group immediately after his conference appearance, he made clear that be believed progress could be made.

"Nobody can think that this Government is going to budge an inch from the essential interests of this country or the North Atlantic Treaty Organisation (Nato), but I do think that this Government has a very real tradition of playing a constructive role in the international dialogue", be said.

"After all, we have been at it for a very long period of time. We have a very sophisticated tradition and a remarkable track record in many ways." Arguing for negotiations "to persuade people that we care" was part of the political debate on defence.

Mr Heseltine's remarks do not represent a completely new stand in Government thinking, although they imply a much higher UK profile in international talks. But they do reveal a difference of emphasis with Mrs Thatcher, who has been content to allow President Reagan to make most of the running for the West, confining herself to supporting the thrust of his policy.

He gave full backing, however, to U.S. policy in the short term, echoing Mrs Thatcher's belief that the "zero option" oo intermediate nuclear weapons was now dead.

"I don't think we are going to get to the stage where you see a willingness on either side to forego a class of weapons systems," he told the questioner at the Tory Reform Group meeting.

● The Tory leadership will today face head-on the challenge posed by a motion calling for an end to all immigration from the New Commonwealth and Pakistan, an increase in support for voluntary repatriation, and a repeal of all race relations legislation.

The motion will be proposed by Mr Harvey Proctor, the far-right Conservative MP. Party managers are embarrassed by the motioo, partly because they fear the dehate will briog out into the open the row over the Young Conservatives' report of infiltration of the party by far-right bodies. This mentioned Mr Proctor as being associated with some of these organisations.

● A renewed attack on the Government's economic and social policies was delivered last night by Sir Ian Gilmour, who was dismissed from the Cabinet two years ago. In a speech to the Reform Group, he challenged almost every claim made earlier by Mr Nigel Lawson, the Chancellor, in his address to the conference.

Michael Heseltine

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State and private pay moving to equality

BY PHILIP BASSETT, LABOUR CORRESPONDENT

PAY INCREASES in the private sector are still running higher than those in the public sector, according to authoritative Government figures published today.

However, public sector earnings are higber than those in the private sector – so the overall effect is probably moving towards an equalisation of public and private sector pay.

Care has to be taken with the public and private sector pay figures in the Government's annual New Earnings Survey (NES). Although it is regarded as the most accurate guide of earnings levels and movements in the economy, because it is a "snapshot" of pay at a particular point, it can sometimes create odd impressions, especially since its chosen survey date of April can exclude many significant public sector settlemeots which cluster round thet time.

Even so, the NES records an 8.6 per cent increase in private sector earnings between April 1982 and April 1983, compared with 7.6 per cent in the public sector and 8.3 per cent across all industries and services.

Such figures will make more difficult the Government's attempts to restrain again this year pay rises in the public sector, and cast some doubt on whether unemployment is as effective a wage regulator for the private sector as many thought.

Public sector increases have remained low, particularly because of the level of pay rises in public corporations, especially among manual workers. Pay rises for this group were 8.7 per cent, compared with 7.3 per cent throughout the public services, 7.2 cent across the economy, and 7.4 per cent in the private sector.

White collar workers in the private sector have also done well with increases of 9.5 per cent, compared with 7.8 per cent in the public sector and 9.5 per ceot across all industries and services. White collar workers in local government, with rises of 8.5 per cent, have done much better than their counterparts in ceotral government.

Regional wages league, Page 8

Treasury releases study on reflation

By Max Wilkinsnn, Econnmics Correspnndent

THE TREASURY has become significantly less pessimistic in the last 18 months about the effect of trying to reflate the economy by raising public investment, it emerged yesterday.

The shift of view is explained today in a paper by the staff of the National Economic Development Office, NEDO whose conclusions appear to have been broadly accepted by the Treasury.

The analysis is certain to be used as ammunition by Conservative moderates ond others who favour a more expansionary fiscal stance, even though it does not alter the general direction of the Treasury's current policy arguments.

The NEDO paper follows a request by the Trades Union Congress last year for the Treasury to simulate the effect of an expansion of public investment on its computer model.

The Treasury obliged in April 1982 with a simulation which showed that the initial gains to output and employment would be dissipated in three years as a result of higher inflation and higher interest rates, and that expenditure of £10bn over five years would result in *lower* output and *higher* unemployment.

This pessimistic conclusion depended on a number of tight assumptions, notably that monetary policy would remain strict.

However, the NEDO staff says that changes made to the Treasury model during 1981 also intended to emphasise the undesired effects of a reflatiooary package compared with previous Treasury thinking embodied in earlier versions of the model.

Wages in Britain's industrial heartland now lowest in UK

BY PHILIP BASSETT, LABOUR CORRESPONDENT

EARNINGS IN the Midlands, Britain's industrial heartland, where pay was once close to the top of the national wages league, are now the lowest in the country, according to new Government figures.

The Department of Employment's New Earnings Survey (NES), which every year takes a "snapshot" of earnings throughout the economy in April, shows the West and East Midlands to be at the bottom of the regional pay league for male manual and white-collar wages taken together.

The figures provide hard evidence of the impact of the recession upon wage levels.

In the East Midlands, average earnings stood at £155 a week in April, and in the West Midlands £155.20. This compares with both the overall UK figure of £167.50, and with the top of the table south-east region, where earnings were £184.90. Earnings in Greater London were the highest of all, at £200.10, with the remainder of the south-east region at £169.90.

Earnings increases, however, were lowest in the north of England where they rose by 7 per cent, though again the East and West Midlands were next to bottom, with rises of 7.4 and 7.7 per cent respectively.

For manual workers, the lowest-paying regions were the south-west of England at £134.10, and East Anglia, at £137.40. Both those areas are strong on agriculture, which has for a long time been low-paid employment. The lowest-paid industrial area for manual workers – third from bottom overall – is again the West Midlands, where earnings averaged £138.10.

The Midlands also came off worst for white-collar workers' pay. Earnings in the East Midlands were the lowest at £177.60, which the West Midlands second from bottom at £179.30.

Manual workers' earnings in Scotland at £145.80 were higher than those in England at £143.40, although Wales was lower again at £140.20. this pattern was also reflected in non-manual earnings, which in Scotland were £196.60, and in England £195.40. In Wales, average white-collar earnings were £180.70.

Women's pay in almost all categories is much lower than men's. Average earnings for female manual workers are £87.90, and for non-manual £115.10.

Tebbit loosens clamp on unions

BY JOHN LLOYD, INDUSTRIAL EDITOR

MR NORMAN TEBBIT, the Employment Secretary, has "loosened the garment" of legislation on union democracy in response to pressure from the Trades Union Congress (TUC).

He has accommodated points put to him by union leaders at the meeting last month which broke a two-year freeze on talks between the two sides over the Government's legislative programme.

In contrast, Mr Tebbit will not respond to calls from the Confederation of British Industry and the Engineering Employers' Federation to make unlawful all industrial action – including working to rule and overtime bans – unless it has been approved by ballot. At present Mr Tebbit is proposing to apply the part of the new law only to action breaching a contract, such as a stoppage of work.

In the Bill, expected to be published soon after parliament reassembles on October 24, Mr Tebbit will make provision on union executive committees for representatives from special interest groups within unions, such as women or specific trade sections.

He is expected, however, to demand that these representatives be directly elected, rather than indirectly delegated from other elective bodies below executive level.

Under his proposal for ballots for executives, such "protected" sections were not explicitly covered. Mr Len Murray, the TUC general secretary, made this point to Mr Tebbit at last month's talks and it was a feature of submissions made by the National and Local Government Officers' Association.

The three main provisions in the forthcoming legislation are ballots for executives, pre-strike ballots and periodic ballots on the continued existence of unions' political funds.

The changes in the draft Bill, though not particularly far-reaching, show Mr Tebbit's desire to be seen to be responding to union proposals. The two sides meet again next Wednesday to discuss political funds.

Mr Tebbit has committed himself to introdue ten-yearly ballots on these funds but has kept an open mind on the individual payment of the political levy – at present members paying the levy must actively "contract out" by signing a form if they wish to stop. Mr Tebbit has criticised the system and has in the past suggested replacing it with "contracting in."

The TUC believes, however, that such a threat will not be carried out unless the delicate relationship growing between the two sides breaks down.

Mr Norman Tebbit: Bill expected soon

Beaten Labour told: learn to listen

BY OUR LABOUR CORRESPONDENT

THE LABOUR PARTY must listen more closely to the trade unions after its "incompetent" general election campaign in June this year, says the party's outgoing chairman, Mr Sam McCluskie.

In an article to be published in Labour Weekly today Mr McCluskie, deputy general secretary of the National Union of Seamen, welcomes the unions' current reassessment of their position, which the Trades Union Congress economic committee took a stage further yesterday.

He says: "Obviously they cannot just grit their teeth and hope to be saved by the election of a Labour government several years hence."

Mr McCluskie says the party should try to emulate the unions' discipline, and says: "Instead of lecturing trade unionists on their supposed responsibilities to the party, we must listen more to what they have to say."

On the election, Mr McCluskie says Labour's "incompetent" campaign demonstrated that the party was "in an organisational sense, incapable of saying anything coherently."

Plans to beat gold tax frauds

By David Dodwell

LONDON gold dealers predicted yesterday that public trading in gold coins would resume at the beginning of November after a three-month halt triggered by growing fears of fraud.

Trade will start again after the completion of a new special accounting scheme by the Customs and Excise Department which is intended to reduce their exposure to VAT fraud by gold smugglers.

Dealers on the London Gold Market yesterday welcomed the new scheme. Registered dealers will be able to apply to use it from November 1.

Mr Patrick Smith at Johnson Matthey Bankers, one of London's five big gold dealers, said yesterday: "The risk of exposure to gold fraud has made life pretty difficult for gold dealers in the recent past. I would hope that the new scheme will make life easier – though I suspect we will never be able totally to eliminate the problem."

The scheme will allow dealers to pay VAT charges due on all gold purchases directly to the tax authorities – instead of to the seller as they are forced to do at present.

Smugglers have been profiting by bringing untaxed gold into the UK and selling it on to authorised dealers with the 15 per cent VAT charge built into the price. The seller of the gold is liable to pay VAT, but the smugglers disappear with the VAT as their profit.

A spokesman for the Customs and Excise yesterday emphasised that only registered dealers would be eligible for the scheme. They also noted that the scheme need only be used when dealers had reason to suspect the source of gold being sold to them.

He reminded dealers that they would be liable to have contraband gold confiscated even if they used the new VAT payment scheme. The Customs and Excise recently published a 10-point check list intended to help dealers protect themselves against fraudsters.

"The scheme is a deterrent," the spokesman said. "It puts uncertainty into the fraudsters' minds since they will not know whether they will be able to take a VAT charge on the value of the sale or not."

Gold smuggling has fallen steeply from early last year, when it was running at a level estimated at about £100m a year. The decline arises from the closure of a tax loophole in April last year,

BUSINESS LAW

The minefield of merger control

BY A. H. HERMANN, Legal Correspondent

TO LESSEN the discontent caused by Lord Cockfield's merger decisions, Mr Cecil Parkinson let it be known, soon after he took over the Trade Department, that he intended to give greater weight to the recommendations of the Director-General of Fair Trading (DG).

Last week, however, he rejected the recommendation of the Office of Fair Trading (OFT) that the acquisition of Rank Hovis/McDougall's agricultural services by Dalgety should be referred to the Monopolies and Mergers Commission.

Nevertheless, those who complain that the Government is unabla to keep its merger policy on course are wrong. There simply is no UK merger policy, and a bare minimum of substantive lew. Whatever it used to be in the past, when Ministers were more inclined to rely on the advice they received, merger control is fast degenerating into a succession of arbitrary decisions.

By contrast with the U.S., where a few pithy sentences of the Clayton Act were transformed by judicial interpretation into a great number of absolute prohibitions designed to keep companies away from mergers and on the competitiva path, UK law provides only when and how the British Government may set a complicated and secretive machinery in motion. The procedure starts with the DG, assisted by a merger panel of officials from various dapartments, who scrutinise mergers about which they have been informed, often by the parties who wish to avoid a prohibition at a later, edvanced stage of the merger process.

When satisfied that a merger is over the statutory threshold of size and market share—£15m of assets in the target company, or a 25 per cent market share of the resulting combination—the DG can recommend that the merger should be referred to the Monopolies and Mergers Commission. But whatever the DG decides the Minister can overrule him.

Once a merger is referred to the Commission, it will first check whether the threshold of size or market share has been reached. If so, the task of the Commission is to say whether the merger operates, or can be expected to operate, against the public interest. When referring the merger to the Commission, the Minister may ask it to give greater weight to certain public interest criteria. But he rarely does so, and the Commission may take all sorts of circumstances into account: those diminishing or increasing competition, as well as efficiency, effect on experts and imports, and the abilities and character of management.

> A shift in emphasis from public interest to competition in wider markets would make Britain's system more predictable

When the Commission has made its recommendations, its report goes back to tha Minister for a final, political decision. If the Commission has recommended that the merger should be stopped, the Minister is free either to make an order to that effect or net. If the Commission clears the merger, the Minister can do nothing.

UK company lawyers involved in merger investigations complain that the procedure resembles that of tha Star Chamber, where a dreaded tribunal of inquisitors used to try, among other felonies, "unlawful combinations." Setting np industrial combinations is, of course, not a criminal offence in itself, but the businessmen undergo a polite "third degree" when questioned by the OFT in the sense that they are kept in the dark ebout the accusations and the suspicions of the investigaters.

For good measure, in defiance of the general rule that there should be explanations for administrative decisions, the DG does not communicate to the parties concerned the reasons which led him to make a decision, and the reasons given in press announcements of e ministerial decision are of a purely formal nature.

German merger control could not be more different. It is a statutory version of the American judge-made antitrust law, and leaves few things uncertain. It determines thresholds of magnitude, both for pre-merger notifications and post-merger registrations, and it lays down presumptions of market dominance (monopoly situation) which the Federal Cartel Office (FCO) has to observe when investigating planned or accomplished mergers. Tha FCO has to take into account both beneficial and adverse effects on competition but not considerations of economic efficiency and tha public interest.

On such a firm statutory ground the FCO can well afford to conduct its investigations in a quasi-judicial way. The four decision-making units to which individual cases are assigned are specialised according to industries and enjoy considerable independence. These units, each consisting of three officials, look et all relevant facts, including those favourable to the applicants. All their decisions, including interlocutory decisions, such as orders to supply documents, are subject to appeal to the Berlin Kammergericht and from there to the Federal Supreme Court in Karlsruhe.

Alternatively, the parties to a merger may apply to the Federal Minister of Economy who can reverse an FCO blocking decision for important reasons of public interest. (He may ask the German Monopolies Commission for its opinion, but the commission is also free to provide him with unsolicited advice).

The ministerial power to overrule a merger prohibition is used very sparingly, for instance when tha merger is thought necessary to improve international competitiveness or security of oil supplies or to preserve jobs in a failing company. Other arguments which could be used concern improvement in the regional or sectoral structure of the economy and costs of research, design and development, such as of computer hardware or in the aerospace industry.

The competition law of the European community also follows the U.S. model, but provides merger control only for the coal and steel industry in the Treaty of Paris. The Treaty of Rome gives tha EEC the power to prosecute only for abuses of market power, but this was interpreted by the European Court in the Continental Can decision as including the power to prohibit an increasa in market dominance by means of an acquisition.

However, in view of the opposition of member governments, the Commission has never used this facility, although occasionally it has threatened to do so. Instead, it drafted a merger regulation, essentially on the German model, which has no prospect of being adopted in the near future. As in Germany, Community antitrust decisions are subject to judicial review, though in practice the European Court is not, as a rule, willing to interfere with interlocutory decisions of the Commission.

To sum up, the emphasis on the public interest makes the UK's system of merger control unpredictable. But public interest is only exceptionally e redeeming factor in the German system and is completely absent from the Community system. Both the Community and the German systems are almost entirely oriented on competition. All three systems are criticised for the narrow territorial limits with which they define the relevant market, though this criticism applies less to the EEC than to the UK and Germany.

National markets may provide adequate space for foodstuffs and other consumer goods, but when it comes to aircraft, high technology devices, motor cars and other products depending on the international co-operation of industry, national frontiers are increasingly irrelevant. Competition and market power must be related to wider international markets.

The second ground for criticising all three merger control systems—in the UK, Germany and the EEC—is that they leave untouched monopolies achieved by internal growth. Hence the call for deconcentration of monopolistic industries.

The example of AT & T in the U.S. suggests that this may be desirable not only for political but also for entrepreneurial reasons. The programme of privatisation of British state industries (which, of course, did net reach their present size by internal growth alone) reveals an appreciation of the need for more active deconcentration for the sake of greater competition, even if fiscal interests may immediately predominate.

The motives for merger control and deconcentration may differ: very large companies are most exposed to strikes and restrictive practices, and their middle management has often lost its power to shop stewards; top managements form mutual protection clubs from which the outstandingly able and those with new ideas are likely to be expelled. In Europe at least, as opposed to the U.S., consumer power is not strong enough to cope with monopolistic suppliers, and small retailers are unable to cope with the buying power of large distribution chains. Whatever the objective, however, it can be pursued by applying e single criterion, namely that of competition, leaving other considerations, including that of efficiency, to market forces.

A more sophisticated method of encouraging competition without attacking bigness as such, and without assuming the role of a management consultancy, is emerging in the U.S.* where antitrust agencies now tend to replace the absolute prohibitions by a "rule of reason." As the entire idea of antitrust bas been imported from the U.S., it may be useful to look also at that model.

*Why merger policy is more then e matter of indices, FT July 27 1982, Frankfurt edition; The perversity of U.S. antitrust, FT February 3 1983, p34.

JOBS COLUMN

Latest indicators of executive pay levels

BY MICHAEL DIXON

SORRY about last Thursday's absence through illness. But there's no time to explain further, especially since we are already a week late with this column's twice yearly indicators of managerial salary levels, to which some readers appear to have become addicted.

As always the figures in the accompanying table are drawn from the Reward survey which is carried out every six months, and this time is evidently based on 12,247 items of pay information gleaned from more than 600 organisations in Britain, ranging from little to big.

There is room here for only a small fraction of the survey's findings. Anyone wanting more should contact Bill Couldrey of Reward at 1 Mill Street, Stone, Staffs, ST15 8BA; telephone 0785 814554.

My figures refer only to staff ranked immediately below director in their organisation, although in small concerns they may be on the Board while doing essentially the same kind of work.

The left-hand two columns of figures give first the basic salary and second the total rewards received in cash of the lower quartile managers in each job category. These are the people who would be a quarter way up from the bottom in a pay ranking of all the executives in the category concerned.

The next four columns refer to the median managers who would be half way up the ranking in each case. The first two give the basic salary and then the total cash rewards as identified by this summer's Reward survey. The next pair, in brackets, respectively give the corresponding medians identified by the survey in summer 1982.

The last two columns of money figures bring us back to this summer's findings on the basic salary and total money rewards of the upper quartile managers who would be a quarter of the way down a pay ranking of the people in their category. Finally we have the percentage of the executives in each case whose perks include a company car.

To allow for movements since the information was collected, Reward recommends that salary figures should be increased by 1.5 per cent to take us up to October 1, and thereafter by about 0.5 per cent each month.

Compared with the overall median of £14,500 basic salary, the medians for the different regions varied as follows: Higher—Greater London by 15.5 per cent, Scotland (presumably boosted by the Aberdeen area) by 11.8, the south-east of England by 1.6 and the north-east by 0.3. Lower—eastern counties by 1.2 per cent, the north-west by 8.2, the south-west by 10.0 and the west Midlands by 10.3.

Corresponding variations with company turnover were: Higher—£100m-plus by 15.3 per cent, £40m-£100m by 14.2, and £15m-£40m by 2.8. Lower—£5m-£15m by 5.0 per cent and up to £5m by 13.1. The variations with numbers employed were: Higher—4,001 or more employees by 17.3 per cent, 1,001-4,000 by 10.0, and 501-1,000 by 3.4. Lower—201-500 employees by 2.8 per cent and up to 200 by 6.2.

And please, before using the Reward figures to make comparisons, would readers remember that no salary survey can provide better than a rough reflection of the reality. For instance, the figures given here seem generally lower than those for the equivalent rank of management identified at about the same time by the survey done by Inbucon Management Consultants which does not permit details to be published.

To provide some idea of the difference, however, the Inbucon figures for "all top-rank managers" would be about 5 per cent higher on the lower quartile, 8 per cent higher on the median and 10 per cent higher on the upper quartile.

Most senior manager below rank of director* in:	Lower quartile Basic salary	Lower quartile Total money reward	Median Basic salary	Median Total money reward	(Basic summer 1982	Total summer 1982)	Upper quartile Basic salary	Upper quartile Total money reward	With compy. car
	£	£	£	£	£	£	£	£	%
Accounting	13,830	14,035	16,350	16,500	(14,809	15,432)	19,900	20,450	76.7
Management services	14,393	14,525	16,178	16,350	(14,154	14,853)	18,021	18,484	76.2
Research and development	12,457	13,162	15,000	15,509	(14,298	14,750)	18,606	18,890	68.8
Company secretarial	12,500	12,994	15,000	15,325	(13,750	14,000)	19,000	19,138	80.0
Marketing	12,284	12,300	15,082	15,082	(13,000	13,135)	17,836	18,000	89.3
Computing	12,500	12,571	15,000	15,000	(13,455	13,713)	17,200	17,652	70.1
Sales	12,500	13,000	14,200	15,000	(13,200	13,500)	17,243	18,340	90.9
Engineering	12,000	12,175	14,400	14,755	(13,750	13,761)	16,793	17,271	66.9
Personnel	11,650	11,750	14,148	14,500	(13,150	13,500)	17,588	17,916	77.4
Production	11,775	12,000	13,500	13,752	(12,500	12,920)	16,000	16,295	75.5
Administration	11,088	11,488	13,100	13,278	(10,830	11,025)	16,306	16,527	60.0
Distribution	10,282	10,654	11,842	11,992	(10,461	10,494)	13,952	14,073	77.7
Purchasing	9,981	10,171	11,265	11,469	(10,521	10,689)	13,304	13,413	71.4
All top-rank managers	12,311	—	14,500	—	(13,450	—)	17,500	—	77.8

* In smaller companies could rank as director, otherwise reporting direct to Board

Managers only

I ONCE knew a man who was a highly creative accountant—and on the right side of the law to boot. He had, for instance, created a big-company pension scheme which almost ran itself to the apparent satisfaction of all concerned. But when people asked what he did he always replied that although he made money by being an accountant, his real vocation was painting.

The trouble was that his paintings were hopelessly bad. Behind his back his friends used to worry about whether someone should tell him so. But none of us had the necessary guts.

That man is brought to mind by a job being offered by my former colleague Anna Lee, now headhunting with Dunlop and Badenoch. As is ever the case in this column when a recruiter may not name the employer, she promises to abide by any applicant's request not to be identified to the client without further notice.

The job is for a business person with emphasis on financial skills to be general manager of a smallish company in the north of England. But since its business is producing programmes for television, Mrs Lee fears a flood of applications from people to whom the challenge of managing the company is subsidiary to a wish to break into TV production. Such applicants are not wanted.

What is needed, besides demonstrable commercial acumen, is ability to work with rather than above the company's creative and technical directors, accountant and personnel manager. Age no more than 40.

Pay indicator is about £20,000. Inquiries to 551 Royal Exchange, Manchester M2 7FF; tel. 061-832 6708.

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Further particulars may be obtained from Alex Lightbody on 021-235 4501 at the City Planning Office, 120 Edmund Street, Birmingham B3 2RD. Written applications must be received no later than the 4th November, 1983.

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Allied Breweries Engineering Services Limited is a profit centre within Allied Breweries Limited (a Division of Allied-Lyons PLC). The Company is a major Consultancy Operation within the food and drink industry and is currently involved with a number of large projects in the U.K.

A vacancy exists for a Company Accountant/ Administrative Manager who will be responsible to the Managing Director for the management of all aspects of the Company's accounting and administrative functions. This will include maintenance of salary inputs, production of accounts and management information and the provision of support in negotiations with prospective customers. There is also a requirement to assist the Company Secretary in conforming to statutory requirements of various Company legislation.

Applicants should be qualified accountants with a minimum of five years' post qualification experience some of which should have been gained in the engineering/ construction industry.

An attractive salary will be offered together with a range of benefits normally associated with a large Company. Re-location assistance will be available where appropriate.

Applications are invited from persons of either sex and should be submitted in writing stating qualifications, experience and current salary to:-
Mrs. C. M. Lane,
Personnel Officer (Central Staff),
Allied Breweries Limited,
107 Station Street,
Burton-on-Trent, DE14 1BZ.
Telephone Burton-on-Trent 45320 Ext. 2309.

Allied Breweries Engineering Services Limited

APPOINTMENTS ADVERTISING APPEARS EVERY THURSDAY
Rate £31.50 per single column centimetre

UNIVERSITY OF BATH/UNIVERSITY OF GEZIRA, SUDAN
TEACHING FELLOW IN FINANCIAL MANAGEMENT

Applications are invited for a two year appointment offering excellent experience for an academic or consultancy career. The appointee will spend 18 months in Gezira, principally to construct case studies of financial management problems in Sudanese organisations. The remaining period will be in Bath.

Starting salary up to £11,160 p.a. At least one year should be free of UK Free accommodation and food allowance in Sudan.

Application forms and further details from the Personnel Officer, University of Bath, Bath BA2 7AY, quoting ref. no. 83/123. Closing date: 31.10.83.

International Banking

$ STRAIGHTS TRADER — **£25,000-£30,000**
A leading international bank are seeking to augment their highly effective trading team with a $ straights person. Prime requirements are a stable employment record, a demonstrable success record and at least two years' experience on $ straights. As well as the above figure the successful applicant will enjoy a production related bonus, low interest mortgage plus the usual benefits associated with an international name of such prestige.

JUNIOR EUROBOND TRADER — **£18,000-£20,000**
A junior trader is required by a leading merchant bank. The position involves assisting in the running of the bank's own portfolio and provide general cover on the dealing desk. The company offers a superb opportunity for an individual with approximately one year's experience to expand their general Eurobond activity, improve overall product knowledge and begin to build what would be a substantial client base.

TRADERS/SALES EXECUTIVES (EUROBONDS) — **Salaries to £50,000**
We currently seek to provide Eurobond sales and trading staff to two new houses setting up in London. The positions offer an obvious opportunity to utilise current experience to the fullest, but more importantly setting up and running of a Eurobond service organisation. they offer the chance to become involved at the highest level in the Applicants for these posts will be over 25 with several years' trading or sales experience. They must be innovative and carry the necessary presence to influence the direction of a company's future, as well as having the foresight, entrepreneurial flair and product knowledge to direct a team into new and existing markets.
Salaries in all cases will be tightly linked to the profit factor, implying that a premium by means of basic salaries will be paid for past experience, plus a bonus/profit share linked to production bringing total remuneration to the level indicated above.

OVERSEAS APPOINTMENTS
We currently have a small number of positions covering Eurobond sales and trading in the Gulf, Europe and the USA. Our first foray into these markets indicates that there is a great demand overseas for well trained and profit motivated individuals. Therefore interested parties wishing to pursue this direction should contact me on the above number for an informal chat.

FTB Recruitment (London) Limited
Tel: 01-588 4681.

WANTED:
SLIGHTLY USED EXECUTIVES

If you are an able, experienced executive or professional person, yet somehow are not making the most of your potential, perhaps you need a new approach to your career. To learn how 'slightly used' executives have profitably renewed their careers, telephone for an appointment of up to four hours free consulting — or send us your c.v.

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35-37 Fitzroy St., W1P 5AF.
Birmingham: 021-643 4830, The Rotunda, New Street.
Manchester: 061-228 0089, Sunley Building, Piccadilly Plaza.
Glasgow: 041-332 1502, 141 West Nile St., G1 2RN.
Belfast: 0232-228768, 22 Great Victoria St., BT2 7ER.

We are also specialists in 'Outplacement' for organisations, through our affiliated company Lander Corporate Services Ltd.

INVESTMENT ADVISOR/DEALER
required for permanent position in London Office of established
AUSTRALIAN STOCKBROKER
Salary package will be negotiated

Please apply in writing with detailed c.v. to:
Box A8319, Financial Times
10 Cannon Street, London EC4P 4BY

PER
First choice for top management
Professional & Executive Recruitment

Financial Controller/ Company Secretary
c£14,000 + car
Bristol

My client is a well established, successful, private Group of companies employing 50 people with a turnover of £3m. Working closely with the Managing Director, you will be responsible for all financial, management accounting and company secretarial duties. Preferably aged up to 45, you will be a chartered accountant who has extensive experience within an industrial/commercial environment. Ideally you should live within daily travelling distance of Bristol. Future prospects of an appointment to board level are excellent. Starting salary will be c£14,000 and other benefits include company car and non-contributory pension scheme.
Send full cv to Annette Pearce, PER, Minster House, PO Box 185, Baldwin Street, Bristol BS99 7QZ.

Chief Accountant
Neg. to £12,000
Epsom

United Racecourses Limited, who manage the racecourses at Epsom, Sandown and Kempton Park seek a qualified Accountant to join their management team at Epsom. The person appointed will be responsible for managing the entire accounting function for the company's £3.5m turnover, with the assistance of a small accounts staff. The post will involve the production of prompt annual and monthly management accounts, cash management, and responsibility for the control of statutory returns. Candidates, aged 35-55, must possess formal accounting qualifications. Experience of computerised accounts systems would be advantageous. Salary is negotiable to £12,000 together with an attractive benefits package.
Send full cv to Moira Watson, PER, 12A Commercial Way, Woking, Surrey GU21 1HG.

Divisional Financial Controller
Five-figure salary + car
Rotherham

My client has an international reputation for high integrity fabricated equipment. The company seeks to appoint an experienced Divisional Financial Controller to join the management team working in a progressive, cost-conscious environment. Reporting directly to the Managing Director, candidates will be responsible for the full range of company secretarial functions, including the attendance at board meetings, preparation of reports for directors and handling the statutory requirements of the company. Candidates, preferably aged up to 40, should have held a similar position and hold relative qualifications. My client offers a five figure salary, company car and other benefits will be arranged.
Send full cv to Graham Walker, PER, Norwich House, 1 Vicar Lane, Sheffield S1 3EB.

PER, Moorfoot, Sheffield, S1 4PQ. Central 24 hours answering service (0742) 780197.
Applications are invited from both men and women.

Corporate Secretary/ Legal Adviser
From £16K + Car — **Gloucester**

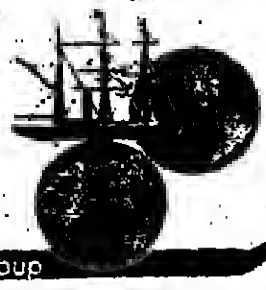
The English & American Insurance Group is engaged in insurance and re-insurance business in the City of London and internationally. The Group underwrites for its own account and acts as underwriting agent and corporate manager for UK subsidiaries of major overseas insurance companies.

As a result of developing business and a recent relocation of Corporate Headquarters to Gloucester, a vacancy exists for a Corporate Secretary/Company Legal Adviser to assume the position of Company Secretary of the Group's client insurance companies and to develop a new role as Legal Adviser. The post involves a wide and varied range of secretarial and legal responsibilities and demands working relationships with senior management and international clients.

Applicants must be qualified solicitors or barristers and should demonstrate first class company secretarial experience or aptitude.

The position offers a salary from £16K depending on experience plus a company car and a comprehensive benefits package.

Please apply in writing giving details of education, qualifications and previous experience to: The Group Secretary, English & American Insurance Company Limited, Tower House, 38 Trinity Square, London EC3N 4HR.



English & American Insurance Group

ROYAL BANK LEASING LIMITED
SENIOR MANAGER

Royal Bank Leasing Limited, a rapidly expanding subsidiary of The Royal Bank of Scotland plc, with gross assets approaching £300m, is engaged in financial leasing and hire purchase and the provision of a consultancy service for lessors and lessees.

A new post of Senior Manager is being created with responsibility for the Marketing team. The job holder will report to the head of the Leasing Company for whom he/she will deputise and will personally negotiate 'big ticket' transactions and provide consultancy advice.

Skills and qualifications required of candidates for the post:
- in depth knowledge of the technical aspects of leasing including evaluation, taxation and documentation.
- proven communication and leadership skills and experience in negotiating complex leasing transactions.
- a professional Accounting qualification and/or Business School/Economics Degree preferred.

The post carries a competitive salary and attractive fringe benefits including Staff House Purchase and non-contributory Pension Schemes.

Applications and enquiries should be made in writing, giving full details of age, qualifications and experience to: AJ McCreath Esq, Assistant Staff Manager, The Royal Bank of Scotland plc, PO Box 31, 42 St Andrew Square, EDINBURGH EH2 2YE.

The Royal Bank of Scotland

The Royal Bank of Scotland plc. Registered office: 42 St Andrew Square, Edinburgh EH2 2YE. Registered in Scotland Number 46419.

Export Finance Executive

We are seeking an executive to work as part of a small team, with the necessary drive to develop and expand the export finance activities of our London branch.

The ideal candidate should be aged between 30-35; have a proven track record in medium term export finance, probably with an accepting house or international bank, with a good knowledge of ECGD procedures and documentation, and experience of confirming house transactions. Knowledge of foreign languages would be advantageous.

The post offers excellent career prospects, an attractive salary which will be negotiable, according to experience and achievement, together with the usual fringe benefits.

Please write giving full details to:
The Personnel Manager, Credit Lyonnais,
PO Box 81, 84/94 Queen Victoria Street, London EC4P 4LX

CREDIT LYONNAIS

Graduate Loans Officer
Expand Lending Activity

Have you about 1 year's basic banking experience and do you want to use your Oxford, Cambridge or London degree to maximum effect in a banking career?

As a Trainee Loans Officer for a major foreign Bank in London, you will be involved in promoting and administering the Bank's lending activities. Reporting to the Head of the Corporate Finance Department, you will also be expected to visit potential clients, carry out market research and undertake customer credit analysis.

Ideally a Law or Business Studies graduate, aged early/mid twenties and living within easy commuting distance of the City, you will be able to interpret company balance sheets and P & L Statements. Co-operative, energetic and confident to converse at top management levels, you must, above all, be willing to learn.

An attractive basic salary is negotiable plus normal banking benefits. Interested? Then ring or preferably write to me, Richard J. Sowerby, at Cripps, Sears & Associates Ltd., (Personnel Consultants), 88/89 High Holborn, London WC1V 6LH. Tel. 01-404 5701 (24 hours).

Cripps, Sears

Stockbroking

Become a Specialist in Money Broking and Discount House Markets

A medium sized firm rated amongst the top ten firms of Stockbrokers for the quality of it's specialist research wishes to strengthen an already established team covering the financial sector through the appointment of an Executive to concentrate primarily on Moneybrokers and Discount Houses.

You will be responsible for gathering information by personally visiting the firms, developing close personal contacts with the people concerned, reviewing any published material and preparing regular written reports on the sectors. There are excellent prospects for expanding the analytical role with an opportunity of moving into marketing to institutional clients.

You are likely to be aged 25-35 and possess some knowledge of either moneybrokers or discount houses gained either by working in one of the firms or as an accountant or auditor. Good communication and analytical skills together with the ability to work on your own initiative are essential.

The rewards for the right candidate will be extremely attractive. For a confidential discussion telephone or preferably write enclosing e C.V. (quoting ref: 6264) to Barbara Lord at Cripps, Sears & Associates Ltd., (Personnel Consultants), 88/89 High Holborn, London WC1V 6LH. Telephone: 01-404 5701 (24 hours).

Cripps, Sears

Acquisitions Executive

OIL EXPLORATION LONDON

This is an opportunity to join a well known oil exploration and production company. The Acquisitions Department negotiates and administers oil and petroleum concessions in the U.K. and overseas.

The person appointed will be expected to develop rapidly in order to assume significant responsibilities. Applicants, aged over 25, should be able to demonstrate a developing history of success in a similar environment. Specific experience of acquisition, disposals, joint venture agreements, government liaison and contract administration is essential.

REWARDS: Salary is for discussion from c £20,000 with car provided for business and private use and there are excellent conditions of employment.

Applicants of either sex apply in confidence. Ref: 923.

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We have two exciting opportunities with the fast expanding Private Client discretionary service of a leading Unit Trust group.

Dealer—Responsible for initial client investment and subsequent portfolio changes.

Admin. Assistant—Responsible for co-ordinating admin. for team of five and direct supervision of junior.

Both positions require experience in Private Clients Dept. of stockbrokers or fund managers. Age 22-25. Salary £7,500-8,000, plus good benefits and excellent bonus. Please ring 588 3535.

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Our major consultancy development programme has created exciting new opportunities for mature and energetic professionals to join our team. Typical assignments require close involvement with clients top management in dealing with the challenge of:

* mergers and acquisitions
* financial and organisational planning
* management buy outs
* new project appraisal and funding
* computer based information systems development.

Consultants enjoy considerable freedom to develop and implement solutions supported by skilled colleagues in other disciplines.

We are seeking PRINCIPAL and SENIOR CONSULTANTS with previous management consultancy experience and CONSULTANTS joining from industry or commerce. A good first degree plus an accounting qualification or MBA and evidence of progressive achievement are mandatory. First hand experience of developing computer based information systems would be a considerable advantage.

Salaries and conditions, including car and contributory pension fully reflect the responsibilities of the positions.

Write in confidence to Christine Parrott: Spicer and Pegler Associates, St Mary Axe House, 56–60 St Mary Axe, London EC3A 8BJ.

Spicer and Pegler
Associates
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The Economist Intelligence Unit

FINANCE MANAGER

We are seeking a qualified accountant, or an economist or MBA with a strong financial background, to assume management responsibility for the EIU Accounts Department in London.

The Finance Manager will report to the Managing Director with functional responsibility to the Group Chief Accountant. He (or she) will work closely with the Managing Director to ensure the provision and interpretation of timely management accounting information and participate in the formulation of the future strategy of the business as well as in day to day business decision.

Because of this close involvement in the direction of the company, the appointee will need to be an achiever and a natural communicator, with the ability to put a financial perspective on business problems succinctly to non-accountants. He (or she) will have had experience in a marketing-oriented service industry and, ideally, in research, conultancy and publishing. Preferred age group is 28-35.

EIU employee benefits include profit sharing and an excellent pension scheme. Remuneration will be competitive reflecting the importance of the position in the EIU management team.

Please apply to: The Managing Director
THE ECONOMIST INTELLIGENCE UNIT LTD.
27 St. James's Place, LONDON SW1A 1NT

WOOD GUNDY

Eurobond Dealer

We have an opening for an additional Dealer in our Eurobond Department.

This opportunity is likely to appeal to those currently employed in the London Gilt Edged and Fixed Income Market.

Competitive compensation package.

Applicants should send a detailed curriculum vitae to Mr. W. J. Meredith, Wood Gundy Limited, 30 Finsbury Square, London EC2A 1SB.

UNICOM NEWS

the worldwide commodity and financial information service seeks an

EXECUTIVE EDITOR

at its London headquarters to supervise international editorial operations.

Experience in financial journalism, people management skills and a thorough appreciation of electronic information systems will be key requirements.

A competitive salary and benefits package will be offered.

Applications, with full curriculum vitae, to:—
The President
UNICOM NEWS
72-78 Fleet Street, London EC4Y 1HY

MARKETING and SALES MANAGER
in
MICROCOMPUTER INDUSTRY

Salary neg. Age 24-36

This is an exciting opportunity to join a young, dedicated and highly-trained team and help build one of the fastest-growing companies in Britain.

We are seeking an ambitious, creative and imaginative person who has the potential of playing a major role in the companies.

The job will entail the marketing and management of sales of a broad range of hardware and software products. Initiative and creative flair are essential.

The successful candidate will be a graduate, possibly with an MBA, and with proven marketing skills.

Apply in writing, enclosing a curriculum vitae, to:
The Managing Director, Psion Limited
2, Huntsworth Mews, Gloucester Place
London NW1 6DD

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CEPEC London 01-930 0322, York 0904 642490, Altrincham 061-941 5797

NIPPON KANGYO KAKUMARU [EUROPE] LIMITED

Our company, a wholly-owned subsidiary of the Nippon Kangyo Kakumaru Securities Co. Ltd., of Tokyo, provides a wide and continually expanding range of financial services for institutions investing in the Japanese market.

INSTITUTIONAL SALES

We are seeking an experianced account executive to join our institutional investment department and contribute to the development of new areas of business. Candidates should therefore demonstrate proven ability in the equities field as well as a sound knowledge and understanding of the needs of United Kingdom and Scandinavian institutional clients.

EUROBONDS

We are also looking for a junior Eurobond dealer with one or two years' experience to work with our senior convertibles dealer. Specific experience in covertibles preferred.

Salaries for both positions will be negotiable, based on qualifications and relevant experience.

For both posts please write, enclosing full career details, to:—
Mr. K. Nakada, Company Secretary,
NIPPON KANGYO KAKUMARU (EUROPE) LIMITED,
5th Floor, Garden House,
18, Finsbury Circus, London, EC2M 7AT.

PARTNERS' ASSISTANT
AGE 23-27

A medium-sized firm of stockbrokers will shortly appoint an assistant to help with the management of private client funds. The likely candidate will be a graduate with one or two years' experience in the investment field. The appointment offers career prospects and presents a first-class opportunity to join a forward-looking firm. Salary is open to negotiation but is unlikely to prove a problem for the right candidate.

Please apply to:
Jock Coutts, Career Plan Limited
Chichester House, Chichester Rents
Chancery Lane, London WC2A 1EG
Tel: 01-242 5775

David Grove Associates
Bank Executive Recruitment
60 Cheapside London EC2V 6AX
Telephone 01-248 1858

CAPITAL MARKETS RECRUITMENT
— AN INVITATION

In response to growing demand from our clients, we have been expanding our recruitment services in the Capital Markets area.

We are currently handling several specific assignments covering the following appointments:-

BUSINESS DEVELOPMENT – EUROPE £50,000+
A top mandate getter is sought

CORPORATE FINANCE AND NEW ISSUES £25/£40,000

EUROBOND SALES £ Neg.
Positions with key London Houses to cover London Institutional, Retail: Currencies and Treasuries.

Interested prospective candidates with appropriate experience wishing to arrange a confidential discussion, either during or after hours, are invited to contact:-
David Grove or Bryan Sales on 01-248 1858.

Foreign Exchange Dealer.

State Bank of New South Wales has recently established a London branch and is seeking an experienced foreign exchange dealer.

The ideal candidate will be mid to late twenties, highly motivated, with a proven record of successful trading ability. An excellent remuneration package will be offered commensurate with the seniority of the position.

Please write in complete confidence, with full career and personal details to the Chief Personal Officer, State Bank of New South Wales, (Licensed Deposit Taker) 110-112 Fenchurch Street, London EC3M 5DR.

State Bank of New South Wales
State Bank of New South Wales is incorporated in Australia and guaranteed by the Government of New South Wales.

PENNEY EASTON & CO.

MEMBERS OF THE STOCK EXCHANGE

We currently have six offices in the United Kingdom and wish to expand these. We would welcome enquiries from Members of The Stock Exchange who might wish to establish an office, relocate themselves or join an organisation which specialises in meeting the requirements of the private client.

Please reply in strict confidence to:—

The Senior Partner, Penney Easton & Co., 24 George Square, Glasgow G2 1EB

or

The Senior Partner, Penney Easton & Co., 1/2 Finsoury Square, London EC2A 1AU

Eurobond Sales Executive

A leading London investment banking firm is looking for a Eurobond Sales Executive with at least three years' experience in the market to join a growing team that offers excellent career opportunities.

Write in complete confidence to box A8326 Financial Times, 10 Cannon Street, London EC4 4BY and, if relevant, state companies to which your correspondence should not be forwarded.

MANAGING DIRECTOR

We can offer an exceptional opportunity to the person with experience as a Managing Director of a company with international scope. We specifically need the person who has developed their career through the Marketing/Sales discipline and who is capable of continuing the growth of a large (£200-million+ turnover), highly successful, London-based international company. Our preference is for the person whose experience has been in consumer-orientated products.

Please send C.V. to Box A.8323, Financial Times, 10 Cannon Street, London EC4P 4BY

FOREX APPOINTMENTS

For Forex/LIFFE/Money Market appointments at all levels discuss your needs, at no cost, with a specialist

TERENCE STEPHENSON
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APPOINTMENTS WANTED

ENERGETIC MBA 28

Wide experience of activities relevant to Financial Management: Economics / Politics: Acquisitions: U.S./UK Securities; Property, etc. Recently running own manufacturing enterprise. Seeks individual or organisation which appreciates exceptional range of talents.

Write Box A8327, Financial Times 10 Cannon Street, EC4P 4BY

A 24-year-old Nigerian graduate with BA (Hons.) in Accounting and Finance and an M.B.A. (recently qualified) urgently seeks a challenging trainee position either in the U.K. or Abroad in any of the following areas: Investment Analysis, International Banking, Financial/Corporate Planning, Financial/Management Consultancy and Marketing Management.

Call to arrange for an interview or an informal discussion anytime on 01-326 0489 asking for Mr Latef.

JAPANESE-SPEAKING BRITISH Graduate, 24, (French & German also), seeks employment with company with Japanese connections. Please telephone 0242 517144.

International Appointments

Assistant Planning & Systems Manager

The Netherlands is the base for a new, small, highly professional team who will handle procurement and market analysis in Europe for all the materials and equipment on which Venezuela's petroleum industry depends.

If you have at least ten years experience in materials, computerized procurement systems, equipment sourcing and in market intelligence activities, joining us in The Netherlands could put a lot of the excitement back in your career.

Your task would be to use our computer-based systems to carry out market studies and analyse commodity trends with just one aim in mind - to enable your colleagues to buy at the right price, the right place and right time.

To get the most out of the job, you'll need a degree or equivalent, experience in negotiating purchasing contracts, in the European petroleum or petro-chem. industries. In addition to English, working knowledge of Dutch, Spanish and/or German will be advantageous.

Salary will be commensurate with experience and qualifications, c. DFL. 90.000,-.

For applications contact:
Personnel Department, Bariven Europe,
P.O. Box 415, 2260 AK LEIDSCHENDAM.
The Netherlands.

BARIVEN
BARIVEN EUROPE

MARINE FINANCE

The international division of a bank experienced in ship finance is seeking a highly qualified additional officer for its ship finance department.

This department specialises in setting up financial transactions on the international markets relating primarily to the acquisition of vessels.

The position is located in Paris. Candidates should be between 30/40 years old. An Anglo-Saxon educational background would be an advantage. The ideal candidate will have the following attributes:—

- Several years' exposure in ship finance gained either with a bank, shipowner, shipyard or shipbroker;
- The ability to speak and write both French and English to adequate standards;
- A good knowledge of Euro-currency lending;
- Familiarity with the legal aspects of international banking.

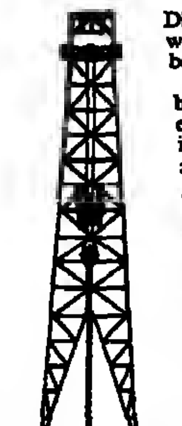
Please apply in writing, sending your c.v. and photo, to:

Box A8325, Financial Times
10 Cannon Street, London EC4P 4BY

All replies will be treated in the strictest confidence.

European Audit Manager
International Operations
London-c.£22,000

NL Industries Inc., a leading manufacturer and supplier of petroleum services and chemical products with annual sales in excess of $2 Billion, requires an audit manager to take overall charge of its audit staff who are responsible for auditing International Operations in the U.K., Europe, Africa and the Middle East.



The position, which reports to a Corporate Director in the U.S., is a highly visible one which resulted in the two previous incumbents being promoted.

The successful candidate will probably be a chartered accountant, with well rounded experience and proven track record in international and U.S. accounting practices, audit experience at the supervisory level, good knowledge of multi-national treasury and tax matters, and the ability to liaise effectively with senior operational management. The ideal candidate would be at the manager level in an international accounting firm.

The position is based at our Mayfair headquarters and will involve extensive U.K. and overseas travel.

Please reply, in confidence, giving concise career and personal details, to:
F. A. Abercrombie,
International Recruitment,
NL Petroleum Services,
35/36 Grosvenor Street,
London W1X 9FG.

NL

EUROPEAN MANAGER

Small health care consulting company seeks European manager with five to seven years' experience.

Preferably bilingual. Fluent English required. Flexible travel schedule.

Reply Box A8324, Financial Times
10 Cannon Street, London EC4P 4BY

INTERNATIONAL APPOINTMENTS are continued on following page

International Appointments

Career Opportunity in International Finance

The Challenge: The International Finance Corporation, the affiliate of the World Bank promoting the private sector in developing countries, is seeking highly qualified individuals willing to accept the challenging opportunities of a career in international development.

The Task: IFC Investment Officers identify and appraise proposed investments, negotiate and present proposals to the Board of Directors plus supervision of IFC investments, all within a multi-national and multi-disciplinary team.

Requirements: Candidates should possess a relevant degree and have at least five years' financial or industrial experience in lending, funding or equity investments with management implications, preferably in developing countries. Involves frequent travel to assigned countries. Command of English essential; fluency in French or Spanish a definite asset.

Benefits: Competitive benefits package including relocation expenses on appointment and provision to maintain cultural ties with home country.

Please send résumé in English to:
Miss Katherine Louthood,
Recruitment Officer,
International Finance Corporation,
1818 H Street, N.W.
Washington, D.C. 20433.

IFC INTERNATIONAL FINANCE CORPORATION

Rabobank Nederland

In recent years particular emphasis has been placed on the expansion of Rabobank's international banking activities.
Rabobank Nederland carries out all international operations on behalf of its nearly 1000 memberbanks and its own clients, through the service of its International Division in Utrecht. In view of the rapid growth of these activities Rabobank Nederland invites applications for the position of

area manager

International activities of the bank are co-ordinated and executed by the International Division of the bank. Within this Division Area Management is responsible for the development and maintenance of correspondent bank relations, contacts with Central Banks, Governments and Semi-Government agencies as well as other international organisations. While creating and maintaining an effective network of correspondent banks for the efficient handling of international banking services, the Area Manager will be closely involved in all forms of international finance activities in which the bank is or will be engaged.

Vacancies exist in the areas covering Western Europe, Middle East/Africa and in the near future Asia/Australasia.

The successful applicant will be responsible for the proper development and further expansion of the bank's international activities in his respective geographical area.

The applicant should have adequate knowledge of international financial markets, international financing techniques and experience in commercial banking and corporate finance. Furthermore the applicant should have an analytical mind, commercial feeling and excellently developed communicative qualities.

He must be fluent in Dutch and have a good command of at least two other languages, one of which must be English, the other preferably German or French.
For this important position we invite applicants between the age of 35 and 45 with an academic background and a minimum experience of 5 - 7 years in international banking.

The position will offer good opportunities for advancement within Rabobank Nederland, including possible overseas' assignment(s). A psychological test may be requested.

For further information you may contact Mr. J.P. Stock, Head of Area Management, tel. 030 - 362459.

Please forward your curriculum vitae to Rabobank Nederland, Personnel Department, P.O. Box 8098, 3503 SE Utrecht / The Netherlands, mentioning reference number FA 3958.

Rabobank

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED

CHIEF PROJECTS DIVISION

The Saudi Pak Industrial and Agricultural Investment Company has been recently set up with its head office in Islamabad under a joint venture agreement between the Kingdom of Saudi Arabia and the Islamic Republic of Pakistan with an authorised capital of Rs. 1 billion. Its main objective is to make investments in the private sector on a purely commercial basis.

The company requires a chief for its projects division whose main task would be to thoroughly appraise and critically evaluate projects for which financial participation is being sought and to make suitable recommendations thereon to the chief executive/board of the company. Some work relating to preparation of feasibility reports would also be involved. This is a top executive position and the company is ideally looking for a foreign-qualified Economist/FCA/MBA or equivalent in the 35-45 age bracket with an excellent academic career, initiative, drive, a proven track record, 10 to 12 years' experience in appraising and monitoring of projects at a senior level, of which at least three years' experience has been attained as the head of the projects division of a financial institution of international repute.

The total emoluments package, whilst being commensurate with qualifications and experience, would be negotiable. Candidates drawing less than Rs. 200,000 p.a. or equivalent need not apply.

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THE ARTS

Masterpieces/Theatre Upstairs

Michael Coveney

I read in another newspaper on Tuesdey a brief paragrapb about the trial in Kiel of a 17-year-old boy. He is alleged to hava raped a woman and then to have attempted to cut off her foot in order to eat it. He had aeen a video film about cannibalism.

In the second scene of Sarah Daniels's new play in the Royal Court's upstairs studio, Rowena faces a murder charga. She has pusbed e bothersome man under a tube train after seeing an offensive snuff movie. The play opens with a prologue delivered by a get-rich-quick pornographer. Cut to a dinner party, where Rowena's father presides over a dirty jokes' session. Rowena, a social worker, and Yvonne, a teacher, field tha male banter in different ways. Rowena giggles pliantly. Yvonne becomes cross.

We later see the teacher confronting, in her classroom, a confused mother whose boy has committed rape. Tha social worker visits a supposed prostitute, scattering kind concern for her child. Walking home, Rowena shivers with fear on the mean streets of London.

This cinematic treatment of Rowena's feminist awakening makes for a very powerful evening of theatre. The technique, in fact, staves off any sinking feeling that this is yet another exercise in the ongoing ritual of anti-heterosexual propaganda. Patti Love plays both Yvonne — tight-lipped, smouldering, impatient—and Hilary, tha working class single parent with an Ilford accent strained through memories of Marion Bailey in *Goose Pimples*. In a marvellous monologue, Hilary recounts the adventures of sex, adolescence and contraception.

As a man, of course, there is nothing to feel throughont the play except either shame or superiority. None of us, surely, is as loathsome as Rowena'e cackling father. Rowena'a condescendingly, placatory, pornography-reading husband (Bernard Strother) or Yvonne's husband (Eamon Boland), who leeringly offers Hilary a lift home as a corollary to giving her a job?

Kathryn Pogson as Rowena, and Patti Love as Yvonne and Hilary, give superb performances. In two years, Miss Daniels has estahlished herself as a distinctive voice with a real theatrical flair. Jules Wright's neat production—with excellent support work by William Hoyland and Shirley Dixon—serves her well. Now all she has to do is write a good man's role.

I would accept that misogynist jokes are demeaning, perhaps even worse. But if the answer is for women to pull out of hetrosexual relationships and retreat, like the courtiers in *Love's Labour's Lost*, to a pastoral utopia (or, in this case, a Greek island), it would be instructive to know what happens next. Sexist ebsolutism is not always healthy or even attractive—it can fuel misogynist tendencies as quickly as quell them.

Alastair Muir

Patti Love (left) and Kathryn Pogson

Neil Innes

Neil Innes is filling in this week at the Tricycle in Kilburn. He is an engaging performer, falling back on a dry defensive wit to cover the malpractices in his music. He switches from guitar to piano with all the confidence of a 12th man but there is something so engaging about his approach that you accept him at his own valuation.

His stock in trade is musical parody. Many of the songs show his age—Leonard Cohen and Boh Dylan are hardly contemporary targets—but the genial humour of it all overcomes the seasoned material and makes this an amiable night ont for the north-west London crowd.

A.T.

Zsuszanna Sirokay/Purcell Room

Dominic Gill

It is rumoured to be part of Tony "South" Banks's new populist schema for the South Bank concert halls to let the pianos there run to seed, and eventually replace them with guitars. The scheme has so far had its most notable success in the Purcell Room, where the piano is presently in shocking condition — coarse-toned, unevenly actioned and voiced and worsening by the week. Contrary to all self-defensive logic, Steinway themselves appear to have fallen in with the plan; in the first balf at least of Zsusanna Sirokay's recital on Tuesday tha piano was also (Steinway's job, not the hall's) badly out of tune.

Miss Sirokay is Hungarian by birth and musical training, but lives in Switzerland. She opened ber programme with a keen, clear - grained performance (given the limitations of her instrument) of Haydn's great C major sonata No 20, whose outer movements in particular were splendidly forthright, with powerful orchestral inclinations. Strong arms and fingers (only the wrists, and therefore octaves and repeated chords, are less resilient) lent Kodaly's Seven Piano Pieces op 11 an impressive resonance—early Kodaly, in which a kind of orotund Debussyian rhetoric, cut with mad echoes of Skryabin, is spiced with Magyar melancholy. Beantifully played, and with so much conviction that I should like to have heen more convinced.

A group of György Kurtág's tiny *Jdtékok* ("Plays and Games")—preserve to date of Miss Sirokay's compatriot Zoltán Kocsis—served as a curtain-overture to another C minor sonata, Schubert's D958. Sha probably needs to try it more often in public, for the notes still scare her; but the performance held together by the sheer energy of its intelligence and sense of style, even when technique (in the broadest sense) failed her. It was full of imagination, and imaginative surprises: at times too wild, often too fast, bnt undeniably grand

Spoof musical opens in London

The Little Shop of Horrors, a musical about a man-eating plant in a flower shop, opened last night at the Comedy Theatre. Our picture shows Barry James as the hapless shop assistant with the plant, known as Audrey II. The show originally opened in the off-Broadway Orpheum Theatre.

Howard Shelley/Wigmore Hall

David Murray

On Monday Mr Shelley played the penultimate programme of his complete Rakhmaninov piano cycle. Not one of the meatier evenings: though one main work was the rich second set of *Etudes Tableaux*, the other was the discouraged, truncated version of the B-flat minor Sonata that the composer produced in 1931 (Shelley played the 1913 original last week).

The rest was early work of varying degrees of charm, each little piece gracefully treated by the pianist, but withont the panache that would make almost any of them a good encore-number. He played everything from the printed scores; I am sure that that often made the difference between a merely attractive reading and what might have been a dashing performance.

In tha bigger pieces Shelley turned on more power—sometimes to exciting effect, always intelligent, but rarely achieving the dramatic breadth that the music promises. The impassioned opening of the Sonata was basty and stuttered a little, not imposing enough to make a firm springboard for what followed; likewisa the Finale sounded hrittle and snatched-at until its plum tune arrived. Many excellent passages, not mnch sustained sweep (Rakhmaninov's brutal cuts make the task harder)—and sweep is essential to carry the Sonata through its diffuse stretches. Shelley underpedalled, weakening critically the groundswell of hass.

Thongh the *Etudes Tableaux* were made to seem much more *études* than *tableaux* (strong, efficient fingers but little pictorial evocation), there were solid successes among them. The rhetorie of tha E-flat minor and D major ones was confidently grand, and the two slowest pieces were beautifully explored.

Elsewhere Shelley regularly made too little of significant changes of texture, pointed modulations—constricted by good taste, perhaps, as if he were shy of insisting; the result was to leave dramatic structure under-defined, the sense of new events anaemic, despite some hard-pressed climaxes. Yet the actual pianism was admirable, satisfying in itself and—granted tha slight endemic dryness—quite faithful to Rakhmaninov's idiom.

Truncated season for City Opera

The New York City Opera was to have spent much of an enlarged summer season engaged upon a Puccini Festival. Then the dispute between orchestra and management broke out, delaying all company activity until Septembar 21—by which time most of the Puccini celebrations were lost (inclnding a new production of *La rondine*).

One notable piece of festival planning salvaged in the truncated schedule was, however, a revival of *Turandot* containing the edded interest of the U.S. première of the Alfano ending as its composer intended it. Last November London opera-goers were reminded, by tha Sievewright-Dayviss team, that Alfano, the composer instructed after Puccini's death to complete the opera from sketches, was then forced by Toscanini to truncate and revise his work considerably for the first run of the Scala performances. (At tha time of that Barbican performance last year it was being claimed that the concert afforded the first-ever hearing to tha full Alfano version; subsequently, however, it has come to light that it had been performed, and some of it even recorded, in German-speaking countries for at least e short period at the start of the opera's triumphal progress.

In the January 1983 issue of *Opera* Mosco Carner, the leading Puccini scholar, insists that, now the complete Alfano finale has come to light, it must never be allowed to disappear again. I wonder. The lengthier version of Turandot's "Dal primo pianto" contains some attractive lyrical and harmonic sequences, more expansively prepared; and the very final moments of the opera, as Turandot and Calaf soar high above the stave and the chorus, achieve a spectacular radiance of a kind Puccini must always have been aiming at.

But the demands of tha extra music add so considerably to the burden of an already sorely-taxed heroine—for, of course, Turandot is, even in its "Toscanin edition," one of the killing roles of all time—that unless she is taken by a soprano with new resources of stamina and lustre to supply at this late stage in the evening, better to leave well alone.

Judith Telep-Ehrlich as Turandot

The City Opera casting wes of a kind to exemplify doubt rather than certainty. Judith Telep-Ehrlich, a former company singer now active in Frankfurt, owns a strong and useful instrument; even on this occasion, with a cold announced, she was able to ride the notes to the end. But there was little of Eva Turner brilliance, of the plasticity and distinctness of diction and phrasing that Anne Roselle lent to a full Alfano version of "Dal primo pianto" on a wonderful German 78; there was little indeed of anything particular or personal to characterise the appearance beyond vocal reliability.

Jon Fredric West's Calaf was noisy. The wbole performance was coarse, if not lecking in vitality, lashed by Christopher Keene's unsparing baton, paraded in Beni Montresor's wearlsome gauze sets (which reduce the stage area to one-dimensional flatness). The fascination of *Turandot*—which lies in the contrast between the repellent brutality of its plot and the luxuriant delicacy of its working—was reduced to a simplistic demonstration of energy.

The first two new prodnetions of this shortened season were of Handel's *Alcina* (on which Andrew Porter will be reporting in a later notice) and Massenet's *Cendrillon*. The latter has given City Opera a sizeable and quite palpable bit; if *Turandot* provoked disquiet at the company's apparent disregard of stylistic niceties, this light end dashing account of one of Massenet'a most remarkable creations — e blend of Rameau, Mendelssohn, sugar, and gossamer, all in perfectly judged proportion — came to hand to allay every one.

Brian Macdonald's production, from Ottowa, had done a tour of world theatres (including Paris and San Francisco) before reaching Lincoln Center; into this large house it fitted with ease and charm. The expert conductor was Mario Bernardi, the delicate and stylish principals were Faith Esham (Cinderella) and Delia Wallis (Prince Charming). Maureen Forrester's Mme de la Haltière began very wittily but coarsened later; in the plum role of Pandolfe, Cinderella's weak, loving father, the young baritone William Parker (a Souzay pupil) showed himself the singla cast member to make idiomatic and eloquent use of the French words.

Cendrillon provided the raw material for a much-publicized City Opera innovation — an English translation flashed abova the stage, on the proscenium arch, to chime with the singing. Tha best and simplest method of communicating with an audienee remains, of course, that of singing in its native language; bnt once one became used to them the titles caused little distraction to those who had no need of them and (from comments overheard at interval) lent much help to those who bad some.

Subtitles were missing in tha other French opera of the opening weeks—Bizet's *Pècheurs de perles*. But bere the simplicities of the story and the unstaled delights of the music did sufficient work of communication, especialy as the performance itself was such an enjoyable one, distinguished above all by the vocally pointed, free, fluent tenor of Jerry Hadley (Glyndebourne's Idamantes) as Nadir.

MAX LOPPERT

Record Review/Stanley Sadie

Dances to the music of time

Rameau: Les Boreades. Jennifer Smith, Anne-Marie Rodde, Philip Langridge, John Aler, Jean-Philippe Lafont, Monteverdi Choir, English Baroque Soloists/John Eliot Gardiner. Erato STU 715343

Rameau: Dardanus: Suite d'orchestre. English Baroque Soloists/John Eliot Gardiner. Erato NUM 75040

Purcell: Hail! Bright Cecilia. Soloists, Monteverdi Choir, English Baroque Soloists/John Eliot Gardiner. Erato NUM 75049

Purcell: Songs and Airs. Emma Kirkby, Anthony Rooley, Cbriatopber Hogwood. L'Oiseau-Lyre DSDL 713

Some composers—just like other people—grow old and wise; some just grow old. (And some, like Purcell, do not grow old at all.) Rameau was no Bach or Beethoven or Wagner. He went on writing operas right up to the end of his life, but in a style that became almost a parody of itself. Having turned to opera only when ba was already 50, he created a small handful of tragic masterpieces; the 20 or so works that followed scarcely attempt to he more than charming, entertaining, decorative. Doubtless Rameau, in this, was reflecting the temper of his times, as he perceived it at the Opera, Versailles or Fontainebleau, while the *ancien régime* tripped gaily towards the crash just a quarter of a century after his death.

It could hardly have tripped to music more arrestingly original than that of Rameau's own dances. *Les Boréades* was composed at the very end of his long life; it was in rehearsal when, in autumn 1764, he died, and the planned performances were cancelled. The superb dances that run through the score were unheard for almost two centuries, and the opera was not staged until John Eliot Gardiner gave it at Aix en Provence last year.

Certainly it is the dances that remain in the memory after listening to these records. Rameau, far from being constricted by the limitations of the small-scale forms, revelled in them for the opportunities they afforded for tha eccentric and the picturesque. The most obvious example is the gavotte in Act 4 that represents a ticking clock, with the bassoons gently clucking, but time and again some quirk of line or rhythm, some ingenuity of scoring, surprises and delights the ear, and the mind too, for Ramean was an intellectual composer and never content with purely sensuous pleasure. Yet there is a good deal of that too in the numerous graceful airs and expressive orchestral pieces, of which the hauntingly beautiful entry music for the Muse Polyhymnia is outstanding. And of course there is a typical Ramean "orage, tonerre et tremplement de terre," hrought on by tha enraged Boreas, god of the North Wind.

In the vocal music tha chief emotion expressed is amorous *tendresse*: voluptuously sighing fintes, drooping violins, softly leaning appoggiaturas reinforce the emotions of pathos that the central characters are constantly called on to express. Pathos, not real tragedy: for although this is a *tragédie lyrique* its plot—about Queen Alphisa of Bactria, who loves Abaris but is obliged to marry a 'Boread,' a descendant of Boreas—is too artificial to allow true depth of feeling.

Jennifer Smith and Philip Langridge sang the leading roles when Mr Gardiner revived the opera at the Queen Elizabeth Hall in 1975. Miss Smith in particular brings to it a pleasing directness and truth of emotion, and this with her command of the fine detail of Rameau's lines leads to what is often a touching performance. A hint more of rhetoric would have made the big temple scene in Act 2 rather more telling.

Mr Langridge's performance is sound rather than striking, but fluent in the strenuously high music. John Aler, Calisis, also copes well with one of these high tenor (or *haute-contre*) roles. Some of the basses seem a little lightweight but Jean-Philippe Lafont thunders suitably as Boreas. As always, Mr Gardiner brings out fully the originality and colour of Rameau'a orchestration, and his readiness to shape the music and flex the pulse makes the most of its theatrical qualities. The period instruments do mnch for clarity of sound and precision of pbrasing.

The *Dardanus* record offers dances alone—several brilliant tambourins, gavottes, minnets and the like but also some striking programmatic ones like an "Entrée des Songes" and "Sommeil" and a "Bruit de guerre": again strong, colourful, effective performances from Mr Gardiner. It is fascinating to note that even without any vocal music one can sense the composer'a profounder involvement in the work, as compared to *Les boréades*, which it predates by a quarter-century.

Heard after Rameau, Purcell is wonderfully refreshing; suddenly, in retrospect, all those French fripperies seem disagreeably ertificial. *Hail! Bright Cecilia*, of 1692, is the source of several favourite songs, inclnding "'Tis Nature's Voice" and "Wondrous Machine," sung bere, respectively, with high refinement by Paul Elliott and high vivacity by David Thomas. It is altogether a finely spirited performence, with excellent countertenors, a superh choir and crystalline orchestral playing. Mr Gardiner obviously relishes the work, and be communicates that in this disc, recorded in the Barbican Hall.

Lastly, a word of commendation for Emma Kirkhy's gentle disc of Purcell songs, some amorous, some saered, some pathetic: all sung with cool control, refinement of line, and a sense of artlessness — deceptive, of course, but one relishes the deception. A hint more of drama, once or twice, would not have come amiss. Mr Rooley and Mr Hogwood accompany with at least due discretion.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

October 7–13

Exhibitions

LONDON

The National Gallery, Manet at Work: this year falls the centenary of Manet's death, which now, in the knowledge of the great old age achieved by his Impressionist contemporaries, whom be influenced so positively, seems so sadly premature. The great retrospective in Paris this summer clarified the nature and significance of his achievement. Here the National Gallery does not give us anything so comprehensive, but takes eight major works across the range of his career, and by simple scholarly exposition, shows us how be set about his business.

The Tate Gallery: New Art – an extensive and extraordinary survey, quite positively open-ended and non-definite, across current international activity in painting and sculpture. It is in the main a loan exhibition with significant augmentation from the Tate's own collections, which, if it seeks to do anything, places what bas come to be thought of as the New Spirit in painting, that is to say the expansive and often violent figurative expressionism of such artists as Clemente, Chia, Salle, Kiefer, Immendorff, Penke, Fetting, Schnabel, into the broader context of the Art of two decades past. Ends Oct 23.

The Barbican: Matthew Smith – an illuminating retrospective, long overdue, of the life's work of one of the most truly French of British painters of this century. And yet he remained a most English expressionist, the sharp, bright Fauve colour of his early years modifying in range and tone to darker, quieter effect. Ends late Oct.

The Royal Academy: Art of the Avant Garde in Russia 1910-30: a selection amounting to some 300 works from the astonishing collection formed since the War by George Costakis, sometime official in the Canadian Embassy to Moscow. The Russian artists in the years before and after the Revolution were as stimulated by the ideas and events of that time as their fellow-intellectuals and consequently denounced as decadent when Stalin decided they were too dangerously free and should be suppressed. One wonders how many more works are still under lock and key. Ends Nov 13.

PARIS

Murillo in the Museums of France. In one of its excellent didactic exhibitions the Louvre has assembled, to mark the 300th anniversary of the artist's death, his paintings and drawings – among them the Young Beggar – from French public collections. Plans, photographs and engravings help us to situate the Sevillan artist in the context of his times. Closed Tue, ends October 24. Louvre, Pavillon de Flore (260 3926).

Musée Marmottan, 2 rue Louis-Boilly: an important collection of paintings and drawings by Claude Monet and his friends, including the famous oil "Impression – Sunrise," which gave the name to the whole movement. Closed Mon.

Musée de Cluny, 6 Place Paul-Painlève: this museum, built originally by the Abbots of Cluny, now houses medieval works of art, including goldsmiths' work, carved altar pieces, ivories, fabrics, and Limoges enamels. Also a set of the Lady and the Unicorn mille-fleurs tapestries – an allegory of the five senses. Closed Tuesday, and every lunchtime.

Cycladic Art from the N. and D. Goulandris Collection – more than 200 remarkable items dating from the third century B.C. are being shown at the Grand Palais before returning – definitely – to Athens. Grand Palais (Oct 9 to Jan 9 1984). Closed Tue, Wed late closing night 10 pm (261 54 10).

NEW YORK

Metropolitan Museum of Art: 75 works from the 20th century collection of Baron Thyssen-Bornemisza will include 10 of his latest acquisitions. Featured in the show will be works by Kandinsky, Picasso, Gris, Dali, Bacon, Freud and Rothko. The recent acquisitions are works by Georgia O'Keeffe, Balthus, Mondrian, Picasso and Natalia Gontcharova. Ends Nov 27.

Pierpont Morgan Library: Drawings of fourteenth to eighteenth-century Italian masters include a large number of sketches for paintings by Canaletto, Piranesi, Titian and Tintoretto. The drawings show off the draughtsmanship of the painters and the development of their compositions from these preliminary but evocative works. Ends Nov 13.

WEST GERMANY

Hildesheim, Römer- und Pelizaeus-Museum, am Steine: The only German venue of Art Treasures from Ancient Nigeria with 100 exhibits bearing witness to the oldest African cultures from 500 BC to 1900 AD. Ends Oct 23.

Berlin, Akademie der Künste, 10 Hanseatenweg: Suprematism, Russian style, is documented here with roughly 500 original designs. Manifestos, photos and paintings from between 1900 and 1917 by the painter Kasimir Malevith. The poet Alexander Krutsbenych and the composer Mikhail Matyushin. Ends October 9. Also at the Akademie der Künste: e show of the work of Julio Gonzáles (1876–1942), the Spanish sculptor, with 250 exhibits, among them pictures oever shown before. Ends October 23.

Hamburg, Kunstverein, Glockengiesserwall: 120 drawings, water colours and gouaches from between 1881 and 1955 by Fernand Leger, the French master of Cubism. Ends October 16.

Hanover, Kunstmuseum, Kurt-Schwitters Platz: more than 100 paintings and coloured sheets from a northern German private collection by Horst Antes. Ends October 17.

Bottrop, Josef Albers Museum, 20 Im Stadtgarten: oil paintings, drawings and graphics by artists from the Brücke School of painting – among them Ernst Ludwig Kirchner, Max Pechstein and Erich Heckel. Ends October 16.

Cologne, Kunsthalle, 1 Josef Haubrich Hof: the exhibition focuses on the 27 sculptures by Willem de Kooning, the American painter and sculptor, since 1969. Ends October 30.

Frankfurt, Städtische Galerie im Städel, 63 Schaumainkai: the exhibition has the sculpture "The King of the Mountain" as well as 57 drawings by Josef Beuys, the German object artist. Ends October 30.

ITALY

Venice: Palazzo Ducale, 7000 years of China exhibition. Ends Dec 31. Museo Correr: Titian's engravings on show. Palazzo delle Prigioni: exhibition of works by Massimo Campigli.

Florence: Palazzo Pitti: 100 paintings and collages from all over the world by Gino Severini on the centenary of his birth. Orzinuovi (e small town near Brescia) till Oct 16: exhibition of 170 paintings by Antonio Ligabue, 48 of which have never been exhibited previously.

WASHINGTON

National Gallery: Art of Aztec Mexico combines works confiscated during the Spanish conquest of 1521 with the unearthing in 1978 of the Great Temple of Tenochtitlán, capital of the Aztec empire, in central Mexico City. The most comprehensive Aztec art exhibit ever mounted in America reflects the religion that suffused the Aztec culture, with gods performing sacrifices that had to be repeated by man in order to keep the sun moving across the sky and the cosmos working. Ends Jan 8, 1984.

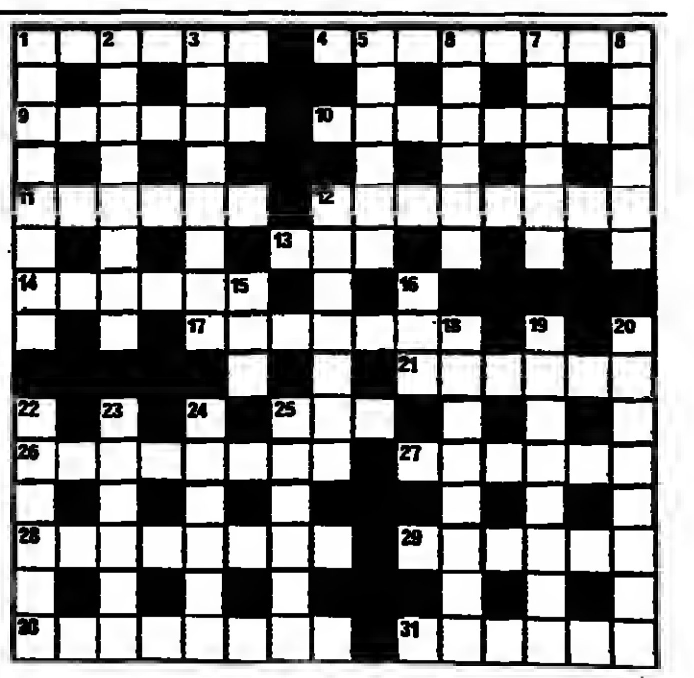
BRUSSELS

Utrillo Centenary Exhibition: Musée St George, Liège. Ends Oct 16.

James Ensor: Koninklijk Museum, Antwerp. Ends Oct 30.

British Potters, David Leach, David Lloyd-Jones and John Maltby. Galerie le Main. Ends Oct 22.

F.T. CROSSWORD PUZZLE No. 5,241



ACROSS

1 Earlier for entering spelling contest (6)
4 Monkey to ruin doctor by arrangement (6)
9 Place of gambling, which is a bad thing in company (6)
10 Obvious container to upset (8)
11 Lie on 'oop of bone? (6)
12 New or old, I have a spirit that's spoken about (6)
13 Go out from the pebbled shore (3)
14 Instant supporter? (6)
17 Kept cautious? (7)
21 In number, one — or the other (6)
25, 27 Great love is a trouble to share (9)
26 In plantation, returning, all fall down (6)
27 See 25.
28 I am Logan, developing a tree (6)
29 Coward spirit, car firm's one article (6)
30, 31 Was my plate empty when prohibition started? (6, 6)

DOWN

1 Oppose penitential season in abbey . . . . (6)
2 . . . . which when inverted makes a quick profit (4, 4)
3 Dismissal of child: Nolan turns up within carpet (3, 5)
5 Braved storm — this shows how (6)
6 Motorway madness is an illusion (6)
7 See differently from pole to pole during leave (6)
6 Some betting leads to excitement (6)
12 Doubter inclined to be proud? (7)
15, 16 Get money from river for cake (6)
18 Diana looking unhealthy? Won't have it! (6)
19 Identify the new rich with a gun (6)
26 Very generous of Charles? (6)
22 A copper, chaps, needs intelligence (6)
23 Iris takes on a big bottle (6)
24 Radio operator back on strike on an elephant (6)
25 Judgment of like magnitude (6)

Solution to Puzzle No. 5,240

FINANCIAL TIMES
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Thursday October 13 1983

The Tories go quiet

POLITICAL party conferences at their best are a two-way process: tho leadership tells the floor about the latest developments in policy and what might be expected in the year ahead. The floor tells the platform about its own particular concern and the view from the constituencies.

Possibly the Conservative conference in Blackpool this week has other matters on its mind. It is also true that Mr Nigel Lawson, the Chancellor of the Exchequer, is due to deliver a major speech on the economy at the Mansion House next Thursday and may not bave wanted to give much away in advance.

Those factors may explain, but certainly do not excuse, the extraordinary absence of dialogue. The conference yesterday held debates on defence and on economic policy, two of the most central items on the week's agenda. At the eod of tha day, however, few people can have been any the wiser about policy or about what the conference thinks, or indeed *if* the conference thinks.

Patronising

The speecb by Mr Peter Morrison, Minister of State at the Department of Employment, delivered at funeral pace and almost utterly devoid of content, is perhaps best passed over. Mr Lawson, for his part, stressed the need to go on controlling inflation and publio expenditure and eventually to reduce taxation. He paid a generous tribute in passing to his predecessor, Sir Geoffrey Howe, "one of the great cbancellors of modern times," but it was bard not to believe that he was looking forward to getting back to Loodon where be would be able to talk to people more on his own intellectual level.

Yet if the Chancellor's speech was patronising in its simplicities and banalities, does the conference deserve any better? Certainly there were few examples of passion, concern or expertise from the floor. A councillor from South Shields spoke up about tho need for continued government industrial aid to the North-East and actually mentioned a real company, Caterpillar, which bas been closed in Birtley. A Young Conservative from Birkenhead spoke strongly about unemployment—and that was about it. If the conference as a whole shows few worries about the economy and is satisfied with platitudes, why should the platform bother to enlighten it?

Answer

There is one compelling answer to that question. The success of Mrs Thatcher's first government lay in identifying problems that had been evaded in the past. Mr Lawson listed them yesterday as the need to curb inflation, make industry more efficieot, reduce the power of the trade unions and do something about the nationalised industries. A start has been made on all fronts, though it is widely recognised in the Tory party that the government elected in 1979 lost its first year, and that public expenditure has gone up as a percentage of Gross Domestic Prodoct (GDP) despite all the Government'a efforts to the contrary.

If the new government does not want to lose the first year again, it will bave to be considerably more specific about what it wants to do. It is no use talking about "hard choices"—the rhetoric of the Blackpool conference—without saying more precisely what those choices are. It is worse than useless to talk about cuts, and then to add the invariable phrase, "of course, the bealth service is safe."

A more positive view of the economy was presented at a fringe meeting by Mr John Biffen, the leader of the House of Commons. This was that the outlook may soon be mnch less bad than was recently feared and government revenues more buoyant than the Treasury's most pessimistic projection. Therefore, Mr Biffen seemed to suggest, some of the choices may not be so stark, whether on dofence or on the social services.

Perhaps Mr Biffen is right: tha latest work from the Institute of Fiscal Studies is on his side. But the representatives et the Blackpool conference have every reason to be confused. If they were to go home this morning, they would bave learnt very little. What is worse, the platform would have learnt very little from them. For, under the surface, it does not look as if the party is entirely happy. There has been altogether too much deforence from the floor.

Deregulating the U.S. banks

U.S. BANKS might have trouble justifying to their shareholders the expense of holding their annual association meeting in Hawaii when their books are burdened with questionable loans. Bnt this week's get-together yielded them the profitable news that Congress will shortly have another crack at the thorny question of banking deregulation in tho U.S.

Senator Jaka Garn, chairman of the Senate Banking Committee, announced plans to table a wide-ranging Bill later this month to expand banks' powers and enablo them to competo more freely in the field of financial services

Controversial

If his effort gets as far as the statute book, it would mark the first substantial roll-back in bank regulation in half a century But while the banks could scarcely want a more influential sponsor than Mr Garn, the prospects are not good The Reagan Administration mada proposals of its own in midsummer which appear to have run foul of the strong anti-bank sentiment on Capitol Hill.

Congressmen feel they are already doing the banks a favour by considering the highly controversial Bill to raise the U.S. contribution to the IMF by $8.4bn, and they may be in no mood to indulge them further for a while. Unless Mr Garn's Bill progresses rapidly this winter, it will probably have to be dropped because of next year's presideotial elections, in which case banking reform will have to wait at least one more year.

This is a somewhat disturbing prospect — and not just for bankers. Most current U.S. bank legislation dates back to the Depression years when it reflected the belief that banks were largely to blame for the catastrophe through corrupt and irresponsible lending and needed to be rigorously controlled. But today, laws which confine hanks to their home states and allow them only to conduct banking or closely related business not only look anachronistic but are easily by-passed by ingenious bankers, especially those equipped witb today's electronic gadgetry. This makes a mockery of the law and encourages a debilitating form of regulatory competition between individual states who try to attract banking business by passing more lenient laws of their own.

The task of forging a consensus between the disparate lobbies who have an interest in keeping or changing the status quo should not be underestimated. But in the current circumstances, it is not surprise that Br Paul Volcker, the Fed chairman, should be seeking a moratorium on all but the most innocuous new banking or quasi-banking ventures until the regulatory picture is cleared up.

The U.S. clearly needs a new legal framework that recognises the advances of technology (banks can get round the ban on inter-state branch banking simply by installing automatic teller machines) as well evolutionary changes that are reshaping the financial services industry willy-nilly. The test of a good Bill is that it should allow U.S. banks to engage in business that is practical given their basic role as providers of financial services, but also proper in light of legitimate concerns for their soundness. It should also correct anomalies that make it possible, for example, for insurance companies to own banks but not the other way round.

Safeguards

The Administration's proposal that banks be permitted to engage in property development—albeit on a limited scalo —does not meet this criterion. But there is little reason, other than the objections of those who would face new competition, why banks should not be allowed to enter the securities and insurance businesses, at least on a limited scale as a start. If Merrill Lynch can provide a service that is a bank in everything but name without jeopardising the banking system, it is hard to accept the argument (put out by Merrill Lynch's trade association) that it is wrong for banks to be dealing in securities or running money market mutual funds with cheque-writing privileges. There would bave to be safeguards, of course, but these could be provided by requiring banks to expand into new businesses through separate subsidiaries, separate from their banking operations.

ISRAEL'S ECONOMY

Mr Shamir's grim inheritance

By David Lennon in Tel Aviv

THE ECONOMIC crisis which has just come to a head in Israel has been brewing for more than a year. It is largely the result of the Government's inability to deal effectively with either of the economy'a two main problems —the balance of payments deficit and a notoriously bigh rate of inflation.

The fact that the crisis appeared to peak just as the country was in the process of changing leaders is largely coincidental. Even if Mr Menahem Begin had not decided to retire from the Premiership, the crisis would havo arrived before long. But the prolonged hiatus while Mr Yitzhak Shamir was being chosen as his successor gave the public the impression that no one was in charge of the ship of state, and more especially the economy. This precipitated a run on bank shares last week as Israelis tried to convert their savings into dollars.

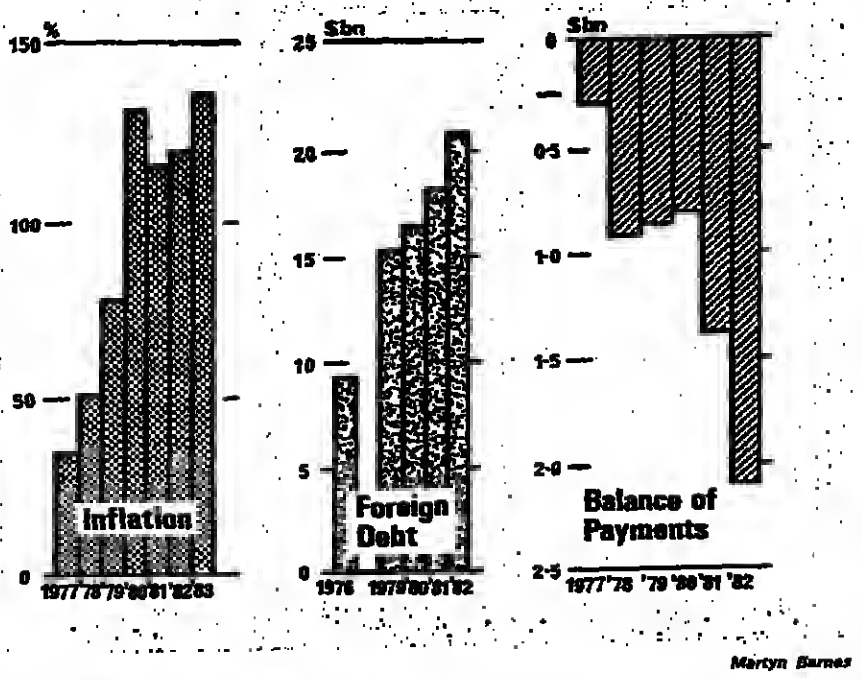
The incident illustrated the need for urgent sction to restore public confidence in the economy — and this week's Cabinet decision to devalue the shekel by 23 per cent and increase the price of subsidised basic commodities is meant to be the first step on the road to recovery.

Other measures are still in the pipeline, including a budget cut of (U.S.) $1bn (approved nearly two months ago but not yet implemented because of the political crisis) and an attempt to break out of the inflationary spiral.

The latter could prove a major political test, for a policy of wage indexation has long protected the Israeli workforce from the ravages of inflation and any unilateral attempt to de-link earnings could provoke strong resistance.

The performance of the Israeli economy over the past few years has been dismal. GNP, which rose 5 per cent in 1981, was stagnant last year, while private consumption rose by 10 per cent in 1981 and 7 per cent in 1982. Exports have been declining for the past two years and imports bave continued to rise. The resulting trade deficits are being paid for by foreign loans on which the servicing and repayment costs will soon eat up Israel's annual foreign aid inflow.

PRIME MINISTER
Yitzhak Shamir



Martyn Barnes

The balance of payments deficit is steadily worsening. In 1981 the "civilian" deficit on current account amounted to $2.2bn; the following year it soared to $3.2bn and it is expected to reach $4.3bn by the end of 1983. If the deficit caused by military spending is inclnded, then the figures for the three years are: 1981 $4.4bn, 1982 $4.7bn and this year $5.5bn.

The policy of the Treasury over the past 12 months was to set this problem aside while tackling inflation, which had been running at an annual rate of more than 100 per cent since 1980 and could reach 170 per cent this year. The Government tried to starve inflation by keeping increases in the price of basic commodities down to a level of 5 per cent a month, through beavy subsidisation.

At the same time, the shekel was also receiving support, being allowed to depreciate by no more than 5 per cent a month against the dollar. Previously it had floated downwards to compensate fully for the inflation rate.

This policy failed because it was isolated. There was no parallel curb on domestic credit expansion nor any attempt to break the other major contributor to inflation, the fact that wages are automatically increased in line with the rise in the cost of living.

Every three months, 80 per cent of an Israeli's salary is antomatically increased in line with the previous quarter'e inflation. This, plus wage increases negotiated annually, has meant that salaries have continned to keep pace with the rate of inflation.

Savings, pensions, welfare payments and loans are also indexed, so that it has proved impossible to break out of the inflationary circle.

The ill-fated attempt to "starve" inflation is estimated to bave meant an additional $500m in Government expenditure over the past 12 months.

The indirect cost has been even higher, notably the decline in exports, which had previously been one of Israel's success stories. Mr Yoram Aridor, the Finance Minister, blames the drop on recession in the Western economies. The Manufacturers Association, the equivalent of the CBI, says that the artificial support of the shokel simply made exporting unprofitable.

Simultaneously, the exchange rate policy was making imports more attractive. Israelis bave long faced high taxes on imported consumer durables but in 1981 Mr Aridor reduced taxes on consumer goods—and his cheap dollar policy the following year meant that these prices stayed down.

The resulting sustained spending spree astounded visitors: Israeli living standards seemed to be for ever rising yet the country was endemically debt dependent.

All this has led to increased foreign debt. Overall debt—foreign debt less Israeli banking holdings abroad — was $16.5bn in 1980. In 1981 it rose to $18.2bn and last year soared again, to $20.9bn. In the first half of this year it grew by another $½bn.

The increase has led to questions overseas about Israel's creditworthiness. Even in the U.S., the country's main financial backer, the General Accounting Office expressed fears earlier this year about Israel's ability to repay its debts without increased American aid.

Nonetheless, Israel is well aware of the dangers of burgeoning debt: while in past years it has pressed Washington for ever larger sums in aid, this year it is asking for less—but it wants it all as a grant.

It is not clear whether Washington will agree, but such a step would allow Israel to debt the growth in its debts.

Washington has been unhappy with Israel's economic policies. During a summer visit to the U.S. capital, Mr Yitzhak Shamir and Prof Moshe Arens, the Defence Minister, were told in the bluntest terms by Mr George Shultz, the Secretary of State, that Israel must adopt a more realistic economic policy.

This lecture clearly bad an impact. Mr Shamir's very first action after being sworn in as PM was to call his cabinet into an all-night session.

This week's devaluation and subsidy cuts have been welcomed as a step in the right direction by most commentators here. Bnt the Government now faces a delicate task on the wages front. Histadrut, the federation of trades unions, has warned that it will resist any unilateral attempt by the Government to tamper with pay indexation.

That said, however, Histadrut and the country's industrialists have hinted that they would be willing to co-operate in a package of measures designed to right the economy. The ball is now in Mr Shamir's court.

How the banks provide a cushion against hard times

UNLIKE other heavily indebted countries, Israel has never relied on its banking system as a major source of foreign exchango to offset its balance of payments deficit.

The Latin American debt crisis left Brazilian and Mexican banks high and dry in tha international money market. They had committed what in banking terms is the cardinal sin of borrowing short term interbank money to finance long-term loans to their customers at home. When the crisis struck Latin America these banks found their customers could not repay the loans and at the sama time suffered a loss of credit in the interbank market.

No such fate is likely to befall Israeli banks. Despite their country's $21bn foreign debt, Israeli banks are actually large net lenders in the international money market.

This has been made possible by tho structure of the foreign debt itself, about half of which takes the form of loans from other governments. In addition Israel has raised large amounts of casb overseas through the sale of long-term "Israel bonds" at below market rates to Jews residing abroad. As a result it has had little need to borrow through its own banking system, and, explains Dr Moshe Mandelbaum, Governor of tho Bank of Israel, "for every pound we borrow from British banks we deposit four."

Leading Israeli banks have a well-established network of branches in London, New York, Zurich and South America which attract so many deposits from Jewish customers that they have a substantial surplus of dollar liabilities. Estimates of their net lending in the international interbank market vary between $6bn and $7.5bn, but what is clear is that this gives Israel a unique cushion against hard times.

Even the crisis of the past few days appears to have had little effect on the standing of Israeli banks in the international market. Israeli bankers in London say they have suffered no withdrawals of deposits from other banks—and there is no reason why they should when those other banks are already net borrowers from the Israeli institutions.

Nor do Israeli banks face the samo sort of traumas in their domestic market as those in Mexico which, like Israel, has been hit by an acute balance of payments crisis and devaluation. The devaluation in Mexico hit private sector companies hard because they had borrowed in dollars which were suddenly much more expensive to repay.

Domestic banking business in Israel has been conducted on an index-linked basis. Private sector companies borrowing shekels have always known that they will have to repay much more in nominal terms than they had borrowed and make allowance for this in their accounts.

Indeed one of the problems associated with indexation is that it has involved corporations in such complicated treasury management techniques that they have had too little time to do any real business. This should now pay off by protecting the privato sector against the financial ravages of the devaluatien.

Why then has there been such a run on Israeli bank shares in tha Tel Aviv stock exchange? And why is the Government now proposing a plan to support those shares?

Israeli bankers explain that this has less to do with the need to rescue Israeli banks than with the need to protect the value of the savings amassed by the Israeli in the street. Bank shares have traditionally been a very popular savings vehicle in Israel because over a period of time they have more than kept pace with the country's triple digit inflation rate. Tho run on the shares reflects more a sudden loss of confidence in the economy as a whole rather than a loss of confidence in the banking sector in particular.

Now, according to one Israeli banker, the Government has a pressing need to make sure that private individuals' savings are protected. In other words "it has to underwrite not the banks, but the value of their shares."

For in one important respect Israel is not unique. As in Latin America, economic austerity and devaluation are a sure incentive to capital flight. And as in Mexico, Brazil and Argentina, capital flight coming on top of a large current account deficit (of some $5.5bn) would make the country's problems many times worse.

Peter Montagnon
Euromarkets Correspondent

Men & Matters

Cork's final account

Sir Kenneth Cork, senior partner of chartered accountants, Cork Gully, former Lord Mayor of London, and perhaps the world's best-known company liquidator, has decided that at the age of 70 enough is enough.

He has handed over his stewardship to his long-time apprentice Michael Jordan, aged 52, who is from now on senior partner of the business.

Cork's reputation as a receiver and liquidator became legendary during the '60s and '70s as great business names toppled. They called him "Kiss of Death" Cork in the City: the very hint of an appearance in a company'a offices by him or one of his staff was enough to send a shara price tumbling.

Jordan has definite ideas of his own about where the specialised accountancy business, developed by Kenneth Cork and his brother Norman, goes from here.

Cork Gully joined with the international accountancy giant Coopers and Lybrand (30,000 accountants, beavering away around the world) three years ago as a wholly owned subsidiary of the partnership.

Jordan is already drawing freely npon the management consultancy services and other specialisations available in Coopers and Lybrand to strengthen the traditional Cork Gully approach.

Simply winding up companies is now considered old hat, and a slacker's way out, by the present Cork Gully generation. The name of the game, says Jordan, is intensive care. His troops move in and nurse an ailing company back to life — always assuming there is any life there to be restored.

Jordan, as a young eccountant back in the 1960s, met Kenneth Cork at a winding-np meeting. Thoy were on opposite sides. Afterwards over lunch ("Cork paid," Jordan recalls) Cork invited Jordan to join his firm.

"I've been in insolvency ever since and I've never had a slack day," Jordan says with a grin.

The bulk of Cork Gully's business in receivership and liquidation is now being sent to it by the clearing banks and merchant banks.

The Cork Gully philosophy is that "going broke" will always be in fashion

Job lot

With all the cutbacks in staff at ICI, it is refreshing to learn that even the chairman does not take his job for granted.

Introducing John Harvey-Jons at a chemical conference in Florence, a speaker started to sketch the chairman's background. "Mr Harvey-Jones," he began, "has had two careers. . . ."

"So far," corrected the man himself from his front row seat.

Charity day

Brazil's efforts to raise another $6.5bn from its reluctant commercial bank creditors seem to be taking on all the aspects of a charity gala performance.

For their visit to London next Tuesday, Affonso Pastore, governor of Brazil'a Central Bank, and William Dale, deputy managing director of the International Monetary Fund, have hired the Mermaid Theatre (which itself was rescued by Asian millionaire, Abdul Shamji, yesterday).

Brazil's creditors among the British banks have been summoned there for what amounts to an $8m-a-seat special production design to drum up their support for the country's rescue package.

You might imagine that the response to such an oxpensive venture would be less than lukewarm, but so confident are the producers that they are insisting on admission by invitation only. The rule will be applied so strictly that bankers have been asked to bring their passports, or similar identification, with them.

"Is that the New York office? —Look I've only got a couple of minutes . . ."

Lord Miles, I em informed, will not, bowever, be eppearing in the role of Brazil'a Planning Minister, Antonio Delfim Netto.

Out of court

There were times in yesterday's Lockheed bribery case judgment in Tokyo when it appeared that the real star of the drama was not former Prime Minister Kakuei Tanaka, but a tall Japanese woman, wearing e striking plaid suit and a neck brace.

She is Mieko Enomoto, former wife of Tanaka's one-time private secretary and fellow defendant, Toshio Enomoto.

It was Mrs Enomoto who provided perhaps the single most electrifying piece of testimony in the whole six years-plus trial when she destroyed ber busband's carefully constructed alibis for the four occasions he took delivery of Lockheed cash for Tanaka.

Mrs Enomoto's taste of courtroom limelight seems to have worked a radical change in her personality for she bas since become one of Japan's most frequantly visible women.

A second marriage ended spectacularly with busband number two in jail, whereupon she posed, without kimono, for the Japanese edition of Penthouse. She is now embarked on a career as a "tarento," which means constant appearances in television dramas and chat shows.

Appropriate, then, that Mrs Enomoto, the personality, should be in place in the courtroom yesterday for the judgment. Though how she got in is a bit of a mystery, since the galleries only accommodated about 100 people (a third from the media) and she was certainly not among the 3,000 members of the public who queued all night to take part in a lottery for the available seats.

The answer probably lies in the ubiquitous power of television. No sooner was tha court business over than she was rushed out by several large men into a waiting mini-bus where the ace interviewer of a local Tokyo station waited, with cameras, for ber breathless verdict. She was, she sighed, "very sad."

Watchword

Citizen to Czech policeman: "I wish to make a complaint. A Swiss soldier has just stolen my Russian watch."

Policeman: "Surely you mean a Russian soldier bis just stolen your Swiss watch."

Citizen: "You sald that, not me."

Observer

ECONOMIC NOTEBOOK

Pym falls into an old trap

By Samuel Brittan

THE DESIRE of Mr Francis Pym in his long and thoughtful speech to the Cambridge University Conservatives last Sunday to move away from state controversies and to take a hard look at long-term problems was wholly admirable.

The former Foreign Secretary was also right to stand back from short-term arguments about the speed of economic recovery and look at long-term trends. The problem since the late 1960s and early 1970s has not been the absence of economic recoveries. It is that unemployment has risen further in each successive recession, and that each successive recovery has made smaller inroads on it; so from one business cycle to the next the jobless trend has been strongly upwards.

Having pinpointed the right problem, it is a thousand pities that Mr Pym fell for an inadequate and superficial daignosis of the kind that one can hear in any saloon bar.

His new contribution turned out to be nothing other than the age old "lump of labour" fallacy. In other words "the machines are taking away our jobs"; and the plan for which this Conservative statesman called turned out to be nothing other than the familiar mixture of shorter hours, longer holidays and early retirement.

What was a little difficult to take was Mr Pym's complaint that the "media" had reacted with a deafening silence whenever he and others had tried to raise the problem.

I should have thought that it was discussed incessantly on television programmes, et conferences of churchmen and every good and worthy gathering. Indeed, I have often written from the opposite point of view trying to explain why I think that the job sharing approach is a fallacy (for instance in *Economic Viewpoint* on the Thursday before Mr Pym spoke; and again in chapter 8 of my new book* mentioned on this page). The world seems to consist of deaf people shouting at each other across a void.

Mr Pym's assertion is that catastrophic unemployment will result from the new technology unless we resort to drocanian work sharing.

Every single sentiment of Mr Pym's stating that the current technological breakthrough is different from previous experience was expressed in the decades after the Napoleonic wars during the original Industrial Revolution—and, I would guess, when the wheel was invented.

If all our needs could really be satisfied by self-reprodncing machines the economic problem could be solved and, as the young Marx said, we could concentrate on thoroughly human activities, whether fishing, philosophy or love-making.

The heart of the Pym speech was some involved arithmetic about how rapidly output would have to rise to absorb prospective prodnctivity increases. I found his productivity assumptions difficult to follow (and I wonder bow many traditional Tories tried to work them out). But let us accept, for the sake of argument, his end result: tht, even if output rose by 56 per cent—or 3 per cent per annum—over the next 15 years, there would still be an unemployment rate of about 40 to 50 per cent unless working hours fell drastically.

If productivity really rose that fast there would be no reason for annual output growth to be limited to traditional figures such as 3 per cent. We could have 6, 8, 10, or 12 per cent growth depending on the combination of voluntary leisure and higher disposable income that workers wished to heve. People who run scared of the microchip revolution put themselves in a box by assuming in the future *revolutionary* improvements in *productivity* combined with quite *traditional* rates of growth of total *output*, as if the two were unreloted.

There is o fundamental ambiguity in the fears of Mr Pym and the many who think on similar lines.

Do they believe that most human material needs will be met with self-reprodncing robots and an average of a couple of hours work per week? Or do they fear that there is some defect in the economic system which will prevent production possibilities from being realised and cause the new technology to run to waste in horrendous unemployment when there are still unsatisfied wants?

If the fear is the latter, then it is simply throwing in the towel to call for work sharing, without asking how the economic system can be improved to realise the technological possibilities.

The destruction of countryside amenities is directly linked with the CAP regime

Classical economists, according to Mr Pym, believe there is a certain number of people that "industry actually needs," the rest being unemployed.

If he had gone e little further into the matter, he would have found that he had been badly briefed. The true classical belief is that demand rises automatically in a market economy in line with technological possibilties and the amount of working bours people are willing to supply et market clearing wages. "Demand" is not some magic fixed number that emerges mysteriously, but follows closely potential supply.

Keynsian economists deny the automaticity of the process, hut believe that, with the aid of budgetary, monetary and exchange rates policy, purchasing power can be induced to rise in line with technological possibilities.

Indeed, I am delighted to see thot my former colleague Willian Keegan is giving a lecture in a church series on "the prohlem of work" by denying that it is the profonnd problem that the other lecturers think. Douhtless, he will put the emphasis on the failure of governments to stimulate demand, while I would put more emphasis on the failure of wages to reach market clearing levels.

But I hope we would both agree that widespread enforcement of measures such as early retirement would needlessly impoverish us all and erode the tax basis of the welfare state, which Mr Pym's wing of his party claims to cherish.

I will not rehearse the arguments for a combination of market-clearing wages and a redistribntion to all edults of a share in the ownership of prodoction assets, so that workers benefit from a rise in the return to capital and market-clearing rewards become acceptable.

But I would odd that a great additional advantage of this approach is that worker-capitalists would then make up their own minds obout how far to enjoy the advantages of new technology in shorter hours and how far in more material goods; and there would be no need for any paternalist statesmen, however well intentioned to prescribe choices which are best left to the individuals concerned.

* Samuel Brittan's new book, *The Role and Limits of Government: Essays in Political Economy*, is published today by Manrice Temple Smith. Price: hardback: £8.95, paperback: £4.50. It will be reviewed in the Financial Times Book Page on Saturday.

Farm support scandal

IN THE BATTLE between tax cutters and the opholders of an expanding welfare state, a third group is out of the firing line and sitting very pretty indeed.

This consists of all the many special interests which have succeeded in using the state to divert income to themselves and to move resources in a wasteful way.

Soch special interest support achieves the worst of all worlds: it distorts the market mechanism, without improving—indeed usually worsening—the distribution of income and wealth. The Cabinet is full of farmers, who unlike other businessmen, are not required to put their activities "on ice."

A good interest group with which to begin in Tory cooference week is the landed one. Contrary to popular myth, the cost to Britain of the EEC budget is but e fraction of the true cost of agricultural protection.

The main cost is measured by the large amounts that consumers have to pay for food. The price of UK farm products is between one and e half and three times world market levels. It is an example of "fiscal illusion" to ignore costs that are paid by the consumer across the shop counter rather than by the Treasury at the farm gate.

Not that there is e shortage of exchequer contributions. Some £0.8m is being paid by the Government for direct UK farm aid over and above what is paid through the CAP, and agriculture, unlike industry, is entirely exempt from business rates.

Taking all effects into account, two economists have estimated (see Agriculture, the Country and Land Use, by J. K. Bowers and Paul Cheshire, Methnen 1983) that the real cost of CAP agricultural support in Britain is upwards of £3bn or over £10,000 per farmer. Of course most of the henefit accrues to the landowner in land prices which have doubled between 1972 and 1980 after allowing for inflation.

The degree of protection provided for wheat and barley was equivalent in 1979 to a protective tariff of 70-80 per cent, for beef well over 100 per cent, for sugar 226 per cent, and for milk a minimum of 160 per cent with far higher estimates possihle. Some of these rates have since moved higber.

Bowers and Cheshire show that the destruction of countryside amenities — by factory farming, the pulling down of hedgerows and the ploughing of downland — is directly linked with the CAP regime.

Not only does high support encourage land exploitation; but the structure of that support, which is hiased towards cereals and away from livestock, encourages the despoilation of the countryside.

In a very successful Panorama programme on this theme,

Cost of EEC membership to UK—1980

	£m
Costs	
Customs duties	870
VAT payments	780
Higher prices paid by consumers	2,800
Total	4,450
Benefits	
Social fund	84
Regional fund	96
Research energy and industry	30
Reimbursements	135
Higher prices and other benefits received by farmers	1,550
	1,895
Net loss	2,555

Source: Unit for Fiscal Studies.

Mr Bowers rightly pointed ont that the extreme featherbedding and protection from market realities of agriculture was in utter contrast to everything Thatcherite Ministers are supposed to profess for industry generally.

The moral is that instead of simply asking for "money back" from the EEC, the British Government should become an odvocate of e cheap food policy on a national and international scale. An organisation like the late CPRS (Think Tank) is still needed to point ont the gaping contradiction between free market rhetorie and actual policy in agriculture, as in many other areas.

Lombard

Unions' welcome initiative

By John Lloyd

UNIONS GET a rough time in much of the British press and they complain about it, often to excess (see A. Scargill, passim). But they have been curiously silent about a recent piece of rough handling — and they should not have been.

Over the past year, groups of unions have undertaken the preliminary work on three major projects which they intend to come to fruition — a union/Labour Party newspaper, a union bank and a union theatre.

The first of these was pronounced viable by Lord McCarthy in a liberal and starry-eyed report: it received ambiguous backing from the TUC Congress, and attempts are now being made to raise money for it. Few think the unions can afford it, bnt maybe a friendly millionaire publisber might be persuaded to lend a hand.

The second scheme is well advanced. Early in the New Year, a consortium of most of the big unions, together with the Co-operative Bank, is to open the doors of a modest deposit-taking institution backed by launch capital of £2.5m. Ultimately, it is hoped that it will develop into a fully-fledged High Street bank.

The third could come off et any time. Another union group, beaded by Mr Ray Bnckton, the train drivers' leader, has already bid for the Roundhouse and the Mermaid Theatre—only to lose out on both counts. But it remains firmly in the market for the next main chance.

Each of these ideas has been greeted with Press derision. Newspaper readers have been frightened off the putative paper by, among others, a suggestion thet it would run a series on the history of the General Municipal and Boilermakers' Union hy Mr David Basnett, its general secretary. Potential clients of the union bank have been assured that their money would be safer invested in a Greenland ice cream plant. Theatre goers have been warned hy the Daily Telegraph to expect "lesbian heroines of some feminist psychodrama." (Actually, a feminist psychodrama of sorts—Trafford Tanzi—packed them in down the road from the Telegraph earlier this year, but that is by the by.)

The unfriendly comments are crass, for two reasons. First they wholly missed the underlying importance of the unions' initiatives. For hy taking these projects seriously, the unions are signalling a desire to eccommodate themselves to e market system by putting their money in it—and there are few freer and more octive markets than newspapers, the commercial theatre and banking services.

To compete within the market for custom and support marks a practical shift from seeking to suppress the market place or to modify it in their favour—though of course unions will ot other times and in other places continue to argue for both of these tactics. In none of these cases have the unions asked for special treatment, Government aid or fovourable terms. In ell three they have stressed—apparently in good faith—that e large part of their interest is to get a good return.

Second, the critique is not a reasoned one. Rather it is based on bad, old-fashioned class prejudice, which assumes that unions being collectives of workers cannot and should not intrude into these areas of public and commercial life. Underlying the sarcasm is the snigger of privilege: imagine the horny-handed running e newspaper—a theatre—Good God Cynthia—a *bank*!

The reason why the unions have not cried foul is less because they are doing the statesmanlike thing of ignoring the comment, more because they are themselves unsure of their role as entrepreneurs, or even feel half ashamed of it. A significant number of union officials on the left believe they should not sully their hands with commercial matters, hut would be better employed arguing the case for nationalising the lot.

Thus Conservative left-wingers meet establishment snobs to cry down the first bit of imaginative enterprising self-help seen from the unions in a while. It would be good to see hoth confounded by the success of at least one of these projects.

Letters to the Editor

UK oil exporting and refining policies

From Professor P. Odell

Sir, — The Institute of Petroleum in London has recently sent us its 1982 petroleum statistics. These show Britain as the world's fifth largest crude-oil-producing country with over 103m tons output in the year. The importance of this achievement by the oil industry is, bowever, somewhat diminished by other statistics in the document. Thus crude oil exports were over 60m tons so that only 40 per cent of Britain's oil production in 1982 was refined at bome. On the other hand, refined products imports were 16.3m tons—30 per cent greater than oil products exports from the UK. Finally, the IP's statistics show that over 11m tons of British refining capacity was closed down in 1982, while the capacity remaining in use operated at an average load factor of only 60 per cent.

UK's oil production is held by some economists to be e prime cause of the country's de-industrialisation. That hypothesis is not proven. What is, bowever, clear from the IP's statistics is that Britain's status as an oil producer *has* not contributed to the sustenance of the manufacturing sector of the oil industry itself — let alone to its expansion. The 60 per cent of Britain's crude that is exported goes mainly to the U.S. (which protects its refining industry from foreign competition) and to western European countries, many of which then export refined oil products back to the UK.

It is *difficult* to think of any other west European country, Common Market member or not, which would not have ensured, through appropriate policies, that indigenous oil production was refined mainly at bome so further enhancing the oil industry's contrihntion to GDP and employment.

Could it be that the higher oil products prices in the UK compared with prices elsewhere in Europe and about which the energy intensive users group (the "Energetic Seven" of British industry) is currently protesting, are related to the refining, exporting and importing patterns (with their inherently high transport and other costs) which have been established for British oil production?

(Prof) Peter R. Odell.
Centre for International Energy Studies, Erasmus Universteit, Postbus 1738, 3000 DR Rotterdam.

Use only standard sub-contracts

From the Chief Executive, Confederation of Construction Specialists

Sir,—In his letter on the problems of construction contracting (October 3) Mr Woods asserts that sub-contractors frequently fail to understand that they are required to comply with the terms and conditions of contract.

In practice our experience suggests that most sub-contractors would be ready and willing to follow e reasonable and comprehensible framework of contractual rules, if such were normally available. The real problem is that most main contractors nowadays choose to ignore the evailable range of standard sub-contract conditions and instead insist on imposing their own convulated and onerous concoctions.

In such circumstances a typical specialist sub-contracting company may face literally hundreds of lengthy and complex sets of contract conditions in the space of a year and may, not surprisingly, be unable to decipher the obligations and liabilities imposed by each set. The resulting uncertainty, confusion and distrust benefits no one in the long run but significantly increases the cost and lowers the standard of building work.

A significant part of the confederation's work involves analysing and advising on individual sets of onerous sub-contract conditions for member companies and our experience confirms that the problem is steadily increasing.

The remedy is simple enough—main contractors could adopt fair and reasonable standard forms of sub-contract. The benefits to the construction industry and its clients in terms of increased efficiency, certainty and economy would be very substantial. Will any of the major contracting companies take a public lead and pledge themselves to use only standard sub-contracts? If not, why not?
John Huxtable,
Victoria House, Park Street, Camberley, Surrey

Care and devotion

From the Consultant Anaesthetist, Royal Sussex County Hospital.

Sir,—Most National Health Service staff were desperately npset by Chris Dunkley's review (October 6) of the "Nation's Health" on Channel 4 and, of course, by the programme itself.

He mentions "G. F. Newman's skill in plaiting together all the scenes of hospital life."

Newman has, very skilfully, plaited together all the worst and uncommon scenes of hospital life. There is scarcely a sign of the devotion and care which 99 per cent of my nursing and medical colleagues unstintingly provide—and I hope I do myself!

In these real life and death disasters (dramas which make good television!) bospital staff walk a tightrope between their own suicidal despair aroused by too moch repeated personal involvement in tragedy and the unacceptable defensive callousness shown in the film. The pain of identification with people in tronble and providing sympathy must be borne.

Thank God it is fictional.
Dr Jonathan H. Williams.
43, Dyke Road Avenue, Hove, Sussex.

Stock Exchange ruling needed

From Mr P. Holden

Sir,—I am writing in reply to Mr Blunt's letter (October 10), concerning the problem of cheques issued to cover tender offers.

While I am in agreement with the sentiments which he expresses, I feel that the solution he offers would be impractical on two counts. Any actual endorsement to the cheque itself would result in it becoming a "conditional order," and therefore would not be considered a cheque under the Bill of Exchange, or the Cheques Act; both of which specify " . . . an unconditional order . . ." A separate written instruction bearing the same conditions, but affixed or attached to the cheque would probably be deemed to failure as outlined above. In addition, it is very doubtful if such an attachment would be accepted by a Bank for collection.

The only solution to the problem that I can offer, would be for the Council of the Stock Exchange to issue a ruling on this subject.
P. W. Holden.
46, Woodstock Avenue, West Ealing, W.13.

Confidence at the BBC

From the Managing Director of TV, BBC

Sir,—Chris Dunkley (October 15) reports a meeting of the international broadcasting body CIRCOM in the Isle of Capri. It is difficult to recognise the occasion be describes as the one ot which I was myself e speaker.

For example, Mr Dunkley detected "panic" among the big broadcasting organisations at the approech of new technology. No such sentiment exists in BBC TV, and so far as I am aware, there was no hint of any such reaction in anything said et CIRCOM.

He says I was "reduced" to enumerating things the public service broadcasters do better than the independents, by way of defence against the satellite "threat from the skies." He detected worries that TV cable operators may destroy the BBC at one fell swoop. I can assure you that we have no such worries, and no one at CIRCOM suggested that we had.

One of the reasons why we are unworried is because we are confident that as well as maintaining and developing the heartland of our ontput, we are capable of doing a great many things, including news, cultural programmes and programmes for children, better than anyone else. That is what I said. I was not "reduced" to saying it. I said it with pride and confidence. If Mr Dunkley thinks this affirmation was, as he says, premature, pessimistic, minimalist and pathetic he is, of course, entitled to his opinion. But it is not an opinion shared by any of the other observers at CIRCOM.
Aubrey Singer.
BBC TV Centre, Wood Lane, W.12.

CBI and EEC noise regulations

From the Chairman, Noise Abatement Society

Sir,—The EEC noise regulations are still 5 decibels above trades union requirements and the CBI view (October 10) that factories may close if they are enforced is both pessimistic and short sighted.

Any money invested in noise abatement shows a highly profiteble return in terms of improved efficiency, prodoction, industrial relations and reduced illness and absenteeism.

The enormous costs of £1bn-plus envisaged by the CBI take no eccount of the cheap, commonsense remedies available.
John Connell,
PO Box 8, Bromley, Kent.

FINANCIAL TIMES

Thursday October 13 1983

GOVERNMENT WILL EXERT NO PRESSURE ON TANAKA TO BOW OUT

Nakasone battens down the hatches

BY JUREK MARTIN IN TOKYO

THE JAPANESE Government yesterday battened down the political hatches in the wake of the conviction in the Lockheed bribery trial of Mr Kakuei Tanaka, the former Prime Minister, and his stated determination to retain his parliamentary seat pending appeal, a process which could take years.

Early in the evening, his secretary read out a statement in which Mr Tanaka, true to form, gave not an inch: it reasserted his innocence, claimed he still had the trust of the people and would not resign from the Diet (parliament) as long as he could retain that trust.

Although Mr Yasuhiro Nakasone, the Prime Minister, declined substantive comment, the message from his chief political advisers, principally Mr Susumu Nikaido, the tough Secretary-General of the ruling Liberal Democratic Party, was that the Tanaka affair was a judicial issue and should not be allowed to interfere with the politics of running the country.

This suggests that the mainstream LDP hierarchy will exert no pressure on Mr Tanaka to bow out quietly. It is a stand which is likely to infuriate the political opposition, which yesterday unanimously vowed to press their campaign to have him ousted from the Diet and to disrupt parliamentary proceedings if the LDP prevented a vote by the full Lower House on Mr Tanaka'e status.

But Mr Nikaido warned that such tactics could result in the loss of the promised tax reduction bill, not to mention another measure to provide disaster relief to Miyake Island, devastated last week by a volcanic eruption. He implied that he did not think the opposition would go so far as to block such necessary and politically popular measures.

The financial markets seemed to believe that the Government could contain any political instability. The Tokyo stock market, which lost 69 points on Tuesday and a further 19 in the first hour yesterday, recovered vigorously to end the day up 70.16 at 9,563.25, another all-time record.

Similarly the yen, which had lost ground on Tuesday, and which fell below 234 to the dollar in early trading yesterday, stabilised to close at 233.85, still down from 232.35 at the previous day's close.

However, the focal point of the day was very much the courtroom denouement of the 6¾ year trial. His every public step dogged by television cameras, Mr Tanaka remained outwardly calm, his chin cocked upwards in his characteristically defiant manner, occasionally waving to the crowds. He reportedly wavered a bit on his feet as sentence was pronounced, but otherwise had his emotions under complete control.

A few minutes after ten in the morning, Mr Tanaka received the news from the hands of presiding judge, Mr Mitsunori Okada – four years in prison and a fine of Y500m ($2.1m), the same amount he was found guilty of taking from the Lockheed Corporation in return for services rendered while in office from 1972 to 1974, in connection with the sale of TriStar airliners to All Nippon Airways.

The prosecution had asked for a five-year jail term, but Judge Okada reduced this by one year in recognition of what he described as Mr Tanaka'e considerable contributions as a public servant of Japan.

Also convicted yesterday were three former Marubeni senior executives: Mr Hiro Hiyama, ex-chairman, was sentenced to 2½ years and Mr Hiroshi Ito and Mr Toshiharu Okubo, former managing directors, to two years apiece for having facilitated the bribery of Mr Tanaka and for perjury; Mr Okubo's sentence was suspended for four years: the prosecution had asked for a four year term for Mr Hiyama and 2½ years each on the other two.

Mr Toshio Enomoto, Mr Tanaka'a private secretary at the time, received a one-year prison term, suspended for three years, for his role in conveying Lockheed cash from Marubeni to his employer.

Mr Tanaka was briefly detained in the courtroom while his lawyers filed his appeal. He was then released on Y300m bail and went home.

Public reaction around the country, which has been fascinated by the Tanaka trial, was fairly predictable. Most of those interviewed in hours of television coverage agreed that the sentence was "severe"; the majority appeared to think he should leave the Diet, though in his home constituency of Niigata he was urged to fight on.

Mr Tanaka's assertion that he is still innocent until proven otherwise by the highest court in the land (the Supreme Court) is bound to rankle with his critics. Two of them, the LDP doyens and former Prime Ministers, Mr Takeo Miki and Mr Takeo Fukuda, both suggested he should resign, as did another LDP factional leader, Mr Toshio Komoto.

But Mr Tanaka's own parliamentary backers, the largest element inside the ruling party, stuck firmly by him last night. Nor, it seems, does Mr Nakasone have any real interest in seeing Mr Tanaka leave the political stage, since the alienation of the Tanaka faction could undermine his own grip on control of the party.

THE LEX COLUMN

Altitude sickness on Wall Street

The UK Government Broker picks his targets with care. Yesterday, he attacked the only area of the gilt-edged market which had responded favourably to Tuesday's mixed bag of official statistics by wheeling out a new index-linked stock, which enjoys the distinction of being the longest in any section of the market. Interest in it will probably be restricted to the pension funds, the only institutions with 20-20 vision.

Laundries

In taking its shears to the tangle of laundry takeovers, the Office of Fair Trading seems, however unintentionally, to have come down rather hard on Sunlight Service. But then it was Sunlight which tried to get all the laundry deals simultaneously referred to the Monopolies Commission.

The unfortunate Sunlight, having been informed that its bid for Spring Grove would have been referred had it looked like succeeding, has now seen Pritchard walk off with Spring Grove without a reference. Sunlight has also found itself again suffering from the attentions of Brengreen, which made an increased offer yesterday.

Although Brengreen's final paper terms are improved from five-for-two to three-for-one, the market has moved sufficiently far against Brengreen since the beginning of September for the effective increase to be only 7p a share, or 2½ per cent. Sunlight's record of 21 per cent growth in earnings, on Brengreen's own calculation, would seem a fairly good prop for a historic p/e of about 15 – now that hospital privatisation has emerged as an extra source of growth. So Brengreen may be fortunate to pick up many more than the 7 per cent of shares it already holds.

Wall Street

There is life in the Wall Street bulls yet but the recent pattern of the equity and debt markets in New York has provided the bears with plenty of ammunition. In contrast to the smooth run from 1,100 to 1,200 earlier this year, the Dow Jones Industrial Average has been making stuttering progress during the past month and, as Monday's 19.51 point fall showed, is vulnerable to the disappointment of very short-term expectations.

This week's loss of nerve has stemmed from a reappraisal of the Federal Reserve's intentions. The Fed itself has done nothing to encourage a further drop in short-term rates and Mr Paul Volcker's recent emphasis on inflation has only underlined the Fed'e cautious position.

The bond market, however, was discounting a fall in the Federal Funds rate to perhaps 9¼ per cent on Monday and, when this failed to materialise, a sharp sell-off ensued, which spread rapidly to equities.

The preliminary economic indicators for September suggest that the economy is picking up again after the August lull and the earliest of the third-quarter corporate statements suggest that, while demand may not have fed through to the capital goods sector, there is nothing much wrong with consumer spending. So, for the moment at least, the Fed probably has little incentive to ease.

The markets may have misread the Fed's supply of reserves to the market last month as a change of direction whereas, in retrospect, it looks to have been a smoothing operation. But, whatever the reason for this week's disappointment, the response shows that Wall Street is going through a nervous patch in which – so it appears – the only safe haven is ICI equity.

Guinness Peat

By taking over the Moorside investment trust, in a thinly disguised one-for-three equity issue, Guinness Peat has virtually completed the last lap of its long and difficult reconstruction. Buying and breaking up Moorside will halve Guinness Peat's net debt to about £18m and lift shareholders' funds to at least £59m – not a bad position for a group which less than two years ago had borrowings in excess of £130m and barely tangible net worth.

Only eight months after its last rights issue, Guinness Peat was scarcely able to go back to its shareholders for more cash, yet gearing of around 75 per cent was keeping the group in a straitjacket. The underwritten purchase of Moorside does not, however, involve any immediate income dilution.

Guinness Peat is so heavily stuffed with tax losses and unrelieved ACT that the interest savings of more than £2m will go almost intact to the bottom line for the next year or two; for dilution to be a problem, Guinness Peat would have to be making about £8m pre-tax, four times its current level.

In order to start paying dividends next year, the group is having to arrange for a retained deficit of almost £18m to disappear from its consolidated balance sheet. It appears that the retained losses can now be forced downwards into the balance sheets of subsidiaries (not necessarily those which made the original mistakes) thus achieving the rehabilitation of the parent.

Perhaps a little lacking in corporate personality, Guinness Peat can nevertheless now start to put together a new track record as a group with a number of useful fee-earning businesses in different areas of wholesale finance. The deal seems to have been well enough received yesterday, the shares moving up 2p to 46p.

Honda

If British chief executives responded to falling profits like their counterparts in Japan, half the captains of industry would be on the dole. In April this year, the president of Yamaha Motor resigned following a dramatic deterioration in the company's performance, while yesterday its arch-rival Honda Motor, reported a steep fall in first-half parent company income, prompting its own president to bow out.

The past year has taken a heavy toll on Japan's motorcycle industry; a dash for a market share by all the major producers has been thwarted by the very depressed level of both domestic and foreign demand. Yesterday's statement from Honda, showing a 44 per cent fall in net income to Y10bn, may, however, mark the low point of the present cycle.

In late August, Honda announced a cut of almost 20 per cent in its production target for the year to February, and its shipments to the U.S. have been cut by 20 per cent in the first half. With U.S. dealer sales showing a rise of around 30 per cent in units, currency and stock gains on these sales should enable Honda to show a rise in consolidated net income of perhaps 15 per cent at the interim stage.

Losses hit £100m for UK ship group

By David Goodhart in London

BRITISH Shipbuilders (BS) yesterday announced that its estimated loss for this financial year was £100m ($150m) and gave trade union leaders further grim news on redundancies and yard closures.

Mr Graham Day, the new BS chairman, in his first formal meeting with the unions, presented a survival plan for the industry based on increased productivity and flexibility.

It was immediately rejected by the union Shipbuilding Negotiating Committee (SNC).

Mr Jim Murray, chairman of the SNC, said he had little doubt that confrontation in the yards was closer, but hoped workers would not take immediate action.

The unions have a policy of outright opposition to compulsory redundancies.

The survival plan will be discussed in the yards next week but rejection is almost inevitable.

The second phase of the 9,000 redundancy programme – which began last July – was also announced. A total of 2,100 jobs will go with the merchant and off-shore sectors bearing the brunt.

Cammell Laird, at Birkenhead, in north-west England, will lose 650, and Scott Lithgow, on the Clyde, in Scotland, will have to shed 734 jobs. Govan, also on the Clyde, will lose 280 jobs and 150 will go at Smiths Dock, Teesside. Another 300 jobs will go in engineering, warship yards and BS hydrodynamics.

BS also said that the Tyne shiprepair yard would close with the loss of 1,100 jobs unless a management buy-out, now under discussion, can be agreed. The Grangemouth shiprepair yard, which employs 96, is in a similar position.

BS made a £117m loss last year. The merchant sector lost £55.7m and the offshore £78.3m. The warship sector, which, with some of the engineering yards, has been earmarked for privatisation, made a profit of £31.7m.

Most of the first phase of 3,700 redundancies sought by early October has been completed but Mr Day hinted yesterday that the original 9,000 total wanted by next March might have to be increased.

He also confirmed that the three yards most immediately threatened with total closure were Goole Shipbuilders; Cleland Shipbuilders on the Tyne, and Henry Robb in Leith, Scotland.

BS's 60,000 workers have had no pay rise this year

Mr Day said the pay freeze would have to stick but also said that a pay increase of £3.50 a week would be provided at any yard accepting the new flexibility package – so long as it was self-financing.

Iraq 'will use Super Etendard' if Iran launches fresh attack

BY ROGER MATTHEWS, MIDDLE EAST EDITOR, IN LONDON

IRAQ said yesterday that it would use all the military means at its disposal if Iran launched a fresh assault in the three year-old Gulf war.

"Make no mistake, we will use everything, including the Super Etendards, if Iran so much as attacks a single village," said an official Iraqi spokesman in London yesterday.

Although there has still been no official confirmation from Baghdad or Paris, other sources have confirmed the arrival in Iraq of five Super Etendard aircraft equipped with Exocet missiles.

Iran has repeatedly warned that if Iraq attempts to use these weapons against its oil facilities or tankers it will respond by closing the Strait of Hormuz, through which 20 per cent of the non-communist world's oil supply passes.

But Iraqi spokesmen dismissed this threat as "bluff and blackmail". They argued that Iran was not only militarily incapable of carrying out the threat but would also be cutting off its own oil lifeline.

Other forces in the region – notably the U.S. naval carrier fleet, the forces of Oman and Saudi Arabia – would promptly crush any Iranian military action, they said. Iran might then be left without any oil exports at all and did not have the friends or the financial reserves to survive for long.

Iraqi officials said they had clear evidence that Iran was preparing to launch another offensive shortly, probably in the central southern part of the war front. They thought the attack might come in the next few days, but hoped Iran would new reconsider because of the increased risks involved.

It is expected that France will meanwhile sponsor a new resolution in the UN Security Council calling for a ceasefire in the Gulf war. It is expected that the call will be supported by the U.S. and the Soviet Union.

In Baghdad, the official newspaper Al-Thawra, said Washington must look to Tehran if it wanted to end the war. It urged the U.S. to withhold all arms supplies to Iran

Iraqi officials dismissed U.S. fears that Iran might turn to the Soviet Union for help if the Gulf war intensified. They said that relations between the two countries were so bad that Ayatollah Khomeini would never countenance Soviet involvement in his country.

However, the indications remain that Iraq intends, initially at least, to use the delivery of the Super Etendards as a bargaining weapon

Ecuador arranges new debt agreement

NEW YORK – Ecuador yesterday signed agreements for a $431m new loan and the rescheduling of about $1.2bn of debt principal repayments, banking sources said. The agreements were signed by representatives of the country's 13-bank advisory committee and were being signed afterwards by about 300 other creditors banks.

The rescheduled payments cover debt due between November 1982 and December 1983. Ecuador, which has a total foreign debt of about $6.6bn, has already rescheduled some $250m of principal and interest falling due to governments in the year to the end of May 1984.

The rescheduling pact covering debt owed to banks by the public sector, is for seven years with one year's grace. Interest is set 2¼ percentage points above London Interbank Offered Rates (Libor) or 2¼ points over U.S. banks' prime rate, the sources said.

The new loan is for six years with 18 months' grace, with interest 2¾ percentage points above Libor or 2¼ points above prime. There are understood to be two other components of Ecuador's bank financing package, covering the extension of trade credits and the refinancing of most of the country's private sector debt repayments.

Trade credits totalling some $700m are being extended through individual agreements between each bank and the Ecuador Government.

The agreements are designed to keep total trada credits at the same level as at April 30 this year until the end of 1984, but they give lenders the flexibility to change the recipient of the financings. Banks are due to sign all the agreements by the end of November.

Private sector debt totalling up to $900m is being converted effectively into obligations of the central bank through a conversion scheme.

Under this scheme, the private sector's dollar borrowings are converted into loans in Ecuadorian sucres from the central bank, and the central bank assumes the dollar obligation to the foreign lending bank. The scheme is due to be completed by the end of this month.

Banks have not yet addressed the question of rescheduling 1984 maturities, but it will probably be necessary to reschedule most of them. However, banks at present do not believe Ecuador will need to arrange an additional new loan to cover 1984 needs.

The outlook for the country's balance of payments is good, the sources said. As in many Latin American countries, imports have contracted sharply amid economic downturn.

Reuter

IG Metall elects new leaders

BY JOHN DAVIES IN MUNICH

WEST GERMANY'S biggest trade union, the 2.5m strong metalworkers' union, IG Metall, elected a new leadership yesterday – amid signs of increasing toughness on the eve of crucial battles over working hours and jobs.

Delegates at the union's conference elected Herr Hans Mayr, the deputy president, to succeed Herr Eugen Loderer who has held sway over the union as president for the past 11 years.

But his election was overshadowed by the size of the victory won by his deputy, Herr Franz Steinkühler, a young and dynamic regional leader from Stuttgart.

Herr Mayr gained the support of 440 delegates, with 61 voting against him and 43 abstaining.

Herr Steinkühler obtained 494 votes for the post of deputy with 34 against and 23 abstentions.

The election of both men was backed by the existing leaders and the bureaucracy of the union and was never considered in doubt.

Herr Mayr, who is only two years younger than the retiring 63-year old Herr Loderer, will have a maximum of three years in office. In view of the union's tradition, Herr Steinkühler is favoured then to take over the top job unless fate is extremely unkind to him.

With Herr Loderer's departure, an era has ended at IG Metall if not its basic policy. Both Herr Loderer and Herr Mayr are regarded as pragmatists above all, stout defenders of union rights and claims, tinged with a strong sense of what is attainable and what union members at the workbench will tolerate.

Herr Loderer has long exercised a moderating influence within the union, steering it clear of political issues whenever possible.

Herr Mayr, who has been on the union's top committee for more than 15 years, is highly regarded not only by union members, but also by employers, who see him as a tough but reasonable negotiator. He also has a keen sense of power relationships, and partly for this reason has favoured Herr Steinkühler as his deputy.

Herr Steinkühler, who is 46, is one of the most controversial union figures in West Germany, an outspoken hard hitting leader who can deliver a fiery speech

Herr Steinkühler is regarded as one of a younger generation of union leaders determined to grapple with social problems thrown up by advancing technology and by the decay of industries such as steel and shipbuilding.

After the election, Herr Mayr said the union faced a critical struggle to achieve a 35-hour week and to assert social control over technological change.

IG Metall has already made clear it will press a claim for a 35-hour week in negotiations with employers starting later this year. The claim will bring the union into headlong conflict with both employers and the Government.

Foreign deposits face tax in Austria

BY OUR VIENNA CORRESPONDENT

FOREIGN DEPOSITORS have lost their total exemptioo from a controversial new tax which Austria is imposing on interest payments from January 1.

The Austrian Parliament's finance committee yesterday decided that the 7½ per cent flat rate tax would be imposed on all bank deposits denominated in Austrian currency and on interest paid on Austrian securities issued from next year.

Initially, the Government had proposed to exempt all foreign-owned bank deposits from the levy. The committee's decision extends the tax to about Sch 10bn (about $550m) deposited in Austrian banks and in Austrian currency by foreign depositors.

In the interests of Vienna's standing as a money market, small though it is by international standards, the committee did, however, exempt from the tax bank deposits denominated in currency other than the Austrian schilling. Austrian credit institutions hold the equivalent of Sch 25bn in such deposits placed by foreign corporate treasurers and others. Another Sch 17bn standing in the names of Austrian wholesale depositors also escapes the tax.

The tax was introduced because Austria permits anonymous bank accounts, making it possible to evade tax payment by putting money into savings account. It has been the small man's favourite means of tax avoidance.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	21	70	Dubrovnik	S	18	64	Malaga	S	25	77	Salzburg	C	11	52
Akrotiri	S	25	77	Faro	S	24	75	Malta	S	26	79	Seoul	C	21	70
Algiers	S	27	81	Florence	S	24	75	Manila	S	27	81	Singapore	S	32	90
Amsterdam	R	12	54	Frankfurt	C	11	52	Miami	C	27	81	Stockholm	C	8	46
Athens	S	24	75	Funchal	S	25	77	Milan	S	19	66	Strasbourg	C	14	57
Bahrain	S	30	86	Geneva	S	13	55	Moscow	C	10	50	Sydney	C	21	70
Bangkok	R	32	90	Gibraltar	C	24	75	Munich	C	10	50	Taipei	S	25	77
Barcelona	F	21	70	Guernsey	C	14	57	Nairobi	F	21	70	Tangier	S	28	82
Beirut	S	24	75	Helsinki	C	6	43	Naples	F	22	72	Tehran	—	—	—
Belgrade	F	11	52	H. Kong	C	28	82	New Delhi	S	31	88	Tel Aviv	S	27	81
Berlin	R	13	55	Innsbruck	S	12	54	New York	S	18	64	Tenerife	S	29	84
Biarritz	S	20	68	Inverness	C	11	52	Nice	S	23	73	Tokyo	F	19	66
Blackpool	C	15	59	Istanbul	S	19	66	Oporto	S	20	68	Toronto	F	13	55
Bordeaux	S	18	64	Jersey	C	15	59	Oslo	S	8	46	Tunis	F	24	75
Brussels	C	13	55	Jo'burg	S	24	75	Paris	C	15	59	Valencia	S	25	77
Budapest	F	13	55	Las Palmas	S	32	90	Prague	F	11	52	Venice	S	17	63
B. Aires	F	18	64	Lima	S	21	70	Reykjavik	C	5	41	Vienna	C	12	54
Cairo	S	30	86	Lisbon	S	22	72	Rio de J'o	C	26	79	Warsaw	S	9	48
Cape Town	S	20	68	Locarno	S	18	64	Rome	S	24	75	Zurich	F	12	54
Caracas	C	28	82	London	C	14	57								
Casablanca	S	24	75	Los Angeles	S	36	97								
Copenhagen	F	12	54	Luxembourg	C	10	50								
Corfu	F	22	72	Madrid	S	22	72								
Dublin	C	16	61	Majorca	F	25	77								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

South Africa platinum arrests

BY GEORGE MILLING-STANLEY IN LONDON

DETECTIVES of South Africa's specialist gold and diamond police branch have arrested three men in connection with the theft 18 months ago of semi-refined platinum, worth about $11.3m, from a refinery near Johannesburg. The refinery is owned jointly by Rustenburg Platinum Mines of South Africa and Britain's Johnson Matthey.

The latest arrests stemmed from the sale of a quantity of the stolen metal, worth perhaps $453,000, in Switzerland. Platinum has a clearly defined chemical "fingerprint", and the source of any supplies of the metal can be identified.

The news of the thefts caused something of a stir when it was released almost exactly a year ago. The disappearance of the platinum concentrates was discovered during routine stocktaking at the refinery, and Rustenburg said at the time that the thefts had occurred over a period of time.

Mr Peter Steven Copko, an Australian businessman who has lived in South Africa for some time, was arrested in connection with the case in January this year, and charged with the theft of the platinum, possession of unwrought gold and contravention of exchange control regulations.

EEC freeze on farm payments

Continued from Page 1

mission's move to freeze advance payments for at least 10 days convinced MEPs that the entire budget, including the rebate, should be approved without further let or hindrance. Many MEPs favoured blocking Britain's repayments to underscore their political opposition at the ad hoc way the Council of Ministers is dealing with the global EEC payments and policy problems.

To have frozen Britain's repayment at this stage would, however, have forced a Second Reading of the entire supplementary budget

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Thursday October 13 1983

Energy loan losses hit Northern Trust income

BY OUR NEW YORK AND FINANCIAL STAFF

NORTHERN TRUST, the Chicago banking group which has been hit by losses on its energy lending portfolio, has reported e 43 per cent drop in its net income to $5m in the third quarter.

The group blames a $16m loan loss provision and lower bond trading profits for its poor performance. A year ago the bank reported that it bad been a participant with the failed Penn Square Bank in Oklahoma city in $125m of energy loans. At the time it increased its third quarter 1982 loan loss provision from $2m to $9m.

The bank's loan loss reserve at the end of the latest quarter totalled $37.2m or 1.15 per cent of outstanding loans, compared with e reserve of $40.3m or 1.13 per cent at the same time last year.

For the whole of 1982 Northern Trust's net income was down 11.8 per cent from a record $38.1m and in the first nine months of the current year it is 42 per cent down at $14.9m.

Bank of New York, which owns the 18th largest bank in the U.S. lifted third quarter operating net earnings from $19.4m or $1.35 a share to $24.3m or $1.54, helped by higher fee and interest income.

Non-interest income rose from $37.3m last year to $51.8m, reflecting increased trust fees and income from securities' clearance operations. Net interest income for the quarter rose 3.9 per cent to $114.1m.

Loan loss provisions for the third quarter were $15.5m, against $18.6m in the comparable period. Non-performing loans and lease financings stood at $287.9m on September 30, compared with $204m a year ago.

Operating net earnings for the first nine months were up from $53.7m to $68.3m, or from $3.75 e share to $4.33.

NCNB, the North Carolina multibank holding company, reported flat earnings for the third quarter, with net profits up slightly to $21.8m or 85 cents a share against $21m or 88 cents (average shares outstanding have risen by about 1.5m).

For the first nine months, earnings were $68.2m or $2.75 a share, against $53.7m or $2.25. Assets at the end of the third quarter were $12.1bn, against $9bn et the end of the 1982 third quarter.

Bancal Tri-State, holding company *for the Bank of California which* is currently being taken over by Mitsubishi Banking, lifted earnings in the third quarter thanks mainly to a reduced provision for loan losses.

Operating income jumped from $3.2m to $14.2m and net earnings, boosted by a tax credit, totalled $18.1m or $3.54 a share.

Lower interest rates boost Den norske Creditbank profit

BY FAY GJESTER IN OSLO

DEN norske Creditbank (DnC), Norway's largest commercial bank, reports a vast improvement in profitability in the eight months to end August, compared with the first eight months last year.

Falling interest rates in Norway and abroad cut the cost of DnC's borrowing from other banks and a cut in the primary reserve requirement from 7 to 4 per cent, effective from April 1, reduced the need for such borrowing.

In comparison, the requirement was 10 per cent for the five months to the end of August last year.

Barring a Government move to tighten liquidity in the final four months of the year, the bank expects satisfactory results for the year as a whole.

DnC points out that tougher liquidity measures would appear to be unnecessary at present, because since September, the authorities have regulated commercial bank lending directly, under Norway's monetary and credit policy laws.

Operating profits for the eight months soared to NKr 383.9m ($52.7m) from NKr 255.1m a year earlier. Total assets rose more slowly than in previous years – reflecting the easier liquidity situation – and averaged NKr 35.4bn by the end of August, NKr 4.4bn, or 14.2 per cent, higher than a year earlier.

Operating profits equalled 1.66 per cent of average total assets in the period, compared with only 1.26 per cent. For the four months to the end of August 1983 the proportion was 1.79 per cent – the best four month result the bank has achieved in the 1980s.

Net interest income reached NKr 860.6m in the eight months, compared with NKr 658.3m. Income from other sources rose by NKr 48m or 18.2 per cent, to NKr 312.4m.

Honda chief goes as profits fall back

By John Griffiths in London

MR KIYOSHI KAWASHIMA, 55, has stepped down as president of Honda Motor, the world's largest motorcycle maker.

Honda has also partnered Austin Rover of the UK in new car ventures.

There was no immediate explanation from Tokyo of the reasons for Mr Kawashima's departure. He is to be replaced by Mr Tadeshi Kume, senior managing director.

Austin Rover, which produces the Triumph Acclaim under licence from Honda and which is developing jointly with Honda a new executive saloon for launch in 1985, sought quickly last night to dispel any speculation that the joint venture might be affected.

A spokesman pointed out that Mr Kume, whose principal background is in engineering, was the UK car company's principal contact during the negotiation of the Acclaim and executive-car programmes. He was the joint signatory, with Austin Rover's joint managing director, Mr Mark Snowdon, of the agreement committing both sides to the executive car's development

News of Mr Kawashima's departure coincided with the disclosure of Honda Motor's first-half results. These showed sales up, at Y874.22bn ($3.77bn) compared with Y848.364bn last year but net income down sharply to Y10.02bn (Y17.76bn).

The figures related solely to Honda Motor, and were not consolidated with those of its subsidiaries.

In August, Honda announced that it was revising downwards by nearly 20 per cent its target for motorcycle sales this year, reflecting fierce competition in both domestic and export markets. Like all other Japanese motorcycle manufacturers, Honda's motorcycle production has been considerably in excess of what markets can absorb, and the conventional practice of boosting sales by bringing out new models has demonstrably failed. This is despite the fact that Honda increased considerably its own penetration of the Japanese domestic market last year.

In contrast, Honda's car-making activities are buoyant, with a 7 per cent increase in output volume last year heralding the launch of major new models expected to increase Honda's sales significantly

However, the slide in motorcycle sales means that investments on the car-producing side of the business are absorbing cash faster than Honda can generate it.

Mr Kawashima is the second president of a major Japanese motorcycle manufacturer to step down within six months. In April, Mr Hisao Koide was replaced as president of Yamaha after a sharp deterioration in Yamaha's own motorcycle sales.

Lower costs aid General Electric

By Our New York Staff

LOWER COSTS and increased demand across a wide range of its activities helped General Electric, the *diversified U.S. manufacturing* group, to a 11 per cent increase in third quarter net profits to $499m, against $451m a year ago. Earnings per share amounted to $1.10.

Sales rose by only 3 per cent in the period, from $6.39bn to $6.55bn, but the company said that operating margins had strengthened considerably to 9.9 per cent of sales against 9.4 per cent in the same period of last year.

Mr John Welch, chairman, said that the group's earnings would be sustained through the rest of this year by the economic recovery in the U.S. along with the "excellent" performances of the group's consumer, high-technology and service businesses.

STENBECK IN KINNEVIK BOARDROOM BATTLE

Staying alive in Stockholm

BY KEVIN DONE AND DAVID BROWN IN STOCKHOLM

FOR SEVERAL weeks, Stockholm's Dragon Cinema has been featuring John Travolta's latest film, *Staying Alive, but when share*holders arrived yesterday for the extraordinary meeting of the embattled Kinnevik investment group, they found a new star had taken over. This time, the hoarding read: "Jan Stenbeck in Staying Alive."

For the flamboyant and controversial Swedish financier, who for many in the Stockholm establishment has become the "unacceptable face of Swedish capitalism," the meeting marked a successful new phase in his fight to hold onto control of one of the largest private *business empires in Sweden.*

"This is life or death for me," he said, on the eve of the meeting, sipping champagne in the Kinnevik boardroom. "I don't want to be packing my father's portrait and leaving."

Having already lost out in the battle to maintain his control of Sandvik, the Swedish tools and special steels group and one of the flagships of the Swedish engineering industry, Mr Stenbeck is determined to retain his influence in the remaining parts of the empire.

At Sandvik, which bad been under Kinnevik control since 1957, Mr Stenbeck was outmanoeuvred by the beavy guns of Skanska, one of the Nordic region's biggest construction and investment groups, which bad the backing of powerful institutional investors.

Skanska had quietly amassed the largest single bolding in Sandvik, before calling publicly for a shareholders' meeting to replace the entire board of the troubled steel group.

Even before the Skanska dawn raid on Sandvik, Mr Stenbeck was embroiled in an unseemly power *struggle with his two sisters – one* e member of the Swedish parliament – for control of the family stake in Kinnevik, formerly the master company in the Stenbeck empire.

Kinnevik was originally formed in 1936 by Stenbeck's lawyer father and a number of wealthy families from Sweden's landed gentry. The original families are still represented on the board, although the investment company went public with a listing on the Stockholm Stock Exchange in 1954.

Kinnevik's main holdings were in Sandvik, *the Fagersta special steels* group, and Korsnäs-Marma, one of Sweden's most profitable forest products groups, although it is also involved in property, insurance, communication and oil exploration.

Fearful that the struggle with his sisters could expose Kinnevik to an outside hostile takeover bid, Mr Stenbeck moved earlier this year to consolidate his position by orchestrating a reverse takeover of Kinnevik by its subsidiary, Fagersta. Both have virtually identical boards, with interlocking family interests.

The plan ran into trouble, however, as suspicions arose that the Stenbeck interests were taking advantage of the small shareholders, and ultimately the Stockholm Stock Exchange took the unprecedented action of expelling both companies from the bourse.

At yesterday's extraordinary meeting of Kinnevik shareholders, one of the company's auditors, Mr Knut Ranby, who had called the meeting, went so far as to suggest thet shareholders had grounds for demanding a police investigation. In the wake of the original takeover bid, *however, Fagersta* bad *already* acquired a majority of the votes in Kinnevik and the Stenbeck interests managed to head off the attack.

Mr Stenbeck certainly appears to bave lost none of his buoyancy, despite the recent setbacks, and be is openly scornful of the policing role adopted by the stock exchange council. The Fagersta/Kinnevik controversy has aroused a fierce debate in Sweden ebout stock market ethics and the relative lack of rules governing share trading.

Mr Stenbeck, domiciled for several years *in the U.S., is disarming* criticism of his actions by forcefully demanding written regulations petterned after the U.S. Securities Exchange Commission, rather than a voluntary code of conduct, wbich he claims is far too open to ebuse.

For Mr Stenbeck, who first went to the U.S. in 1967 to study at Harvard Business School and spent seven years at Morgan Stanley, the investment bankers, as e vice-president in the corporate finance department, the events of the last few months have provided the chance to start reshaping his business empire.

The reduction of his interests in the steel industry promises to provide the cash resources for a far-reaching move into the communications and service sectors and away from the low-growth traditional sectors of Swedish industry. The sale of Kinnevik's 12 per cent stake in Sandvik to Skanska has already yielded SKr 440m ($56.8m) and the sister company, Korsnäs, could raise a further SKr 500m for its 14 per cent Sandvik holding. The sale of Fagersta's hydroelectric power interests could raise an additional SKr 1bn.

Mr Stenbeck estimates that his personal wealth could be "in excess of SKr 1bn," and the larger part of his assets is now in the U.S. He owns 84 per cent of Miltop, a $40m-a-year manufacturer of rugged computer peripherals for military use – he bougbt the company out of bankruptcy for $300,000 – and bas interests of 40 per cent in a small oil exploration company in Texas, and in a Texas bank holding company.

The potential jewel in the crown, however, is Millicom – 40 per cent owned by e Stenbeck *family foun*dation and 35 per cent by its senior executives – which, with sales of just $2m, has e market value of more than $130m, says Mr Stenbeck. Millicom is developing mobile telephone and portable telex systems, and is busy trying to acquire licences for radio frequencies in several parts of the world.

It was Millicom, together with Racal of the UK, which recently won the licence in Britain to become the private sector competitor for British Telecom in cellular radio-telephone systems. Racal-Millicom was the clear underdog but won the contract against competition from groups as weighty as Cable & Wireless and Ferranti.

The day the contract way awarded, "I had a tingly feeling I was going to win. The finger of God was pointing at me," he says. In Sweden, he might for the moment have lost some of his earlier influence, but yesterday's meeting shows that he has learned a lot about the art of staying alive.

Westinghouse awaits industrial upturn after flat quarter

BY TERRY BYLAND IN NEW YORK

WESTINGHOUSE Electric, number two in the U.S. electrical equipment sector almost matched profits growth *at General Electric*, the industry leader, in the third quarter of the year. But Mr Robert E. Kirby, the Westinghouse chairman, said recovery in the industrial capital goods sector remained sluggisb and the company was still waiting for the upturn in capital spending by U.S. industry which would benefit the group.

Net earnings for the third quarter came out little changed at $115.5m or $1.31 a share. But the comparable *totals of $113.7m or $1.31 in*cluded 27 cents a share from the sale of the pay television service operations and repurchase of debenture stocks.

Sales for the three months were bttle changed at $2.3bn, reflecting higher sales in the commercial and broadcasting and cable groups but lower sales in the energy, advanced technology and industries groups. Mr Kirby said the group's order *rate improved in the third quarter.*

At the nine month stage, earnings were down 10.4 per cent at $312.2m or $3.53 a share. A modest fall in sales from $7.1bn to $6.9bn reflects a lower figure from the industries division, the only segment to report lower sales for the nine months.

Demand surge aids Intel

By Louise Kehoe
in San Francisco

INTEL, the California-based semiconductor manufacturer, has reported third-quarter net earnings of $32.1m or 29 cents a share, up sharply from $8.4m or 9 cents, for the same period last year.

The rise took profits for the first nine months to $69m or 64 cents a sbare, against $22m or 24 cents. Revenues rose from $550.4m to $789.5m, of which $292.4m, against $236.9m, came in the third quarter. The rise reflects a dramatic increase in worldwide demand for integrated circuits.

Mr Gordon E Moore, chairman and chief executive, said that the upswing in demand "is so great that orders for some products are well above our capacity to deliver and we are working closely with customers to let them know how much we can ship."

According to the Semiconductor Industry Association, shipments of integrated circuits from U.S. manufacturers are now growing at an annualised rate of 25 per cent. The industry group expects a 33 per cent *increase in sales of Cmos chips*, a strong market sector for Intel.

Intel is the designer and primary source of the top selling 8088 and 8088 microprocessors used in the IBM personal computer and its many imitators.

Hilton Hotels revenues rise

By Our Financial Staff

HILTON HOTELS Corporation more than doubled its net profits to $44.8m in the third quarter, against $19.3m in the same quarter last year. Revenue totalled $165.2m against $151.7m for the comparable period.

The nine-month net of $87.5m or $3.26 per share compares with $64.6m or $2.42 respectively last time. Revenue totalled $489.8m against $468.5m.

Altech moves into cable making by purchase of control in Asea

BY JIM JONES IN JOHANNESBURG

ALLIED Technologies (Altech), the fast growing South African electronics and electrical group, is planning to extend its operations into the manufacture of electrical cable by acquiring an indirect controlling interest in Asea Electric South Africa.

Negotiations are still in progress but their general trend is that Altech's 63 per cent owned subsidiary, Power Technologies (Powertech), is to acquire an indirect controlling interest in Asea. At present, Asea is 47 per cent owned by Anglo American *Industrial Corporation* (Amic), the industrial arm of the Anglo American Mining house, and 25 per cent by the Swedisb Asea company.

It appears that the Swedisb group does not intend to sell its South African interests. While the final touches have still to be put to the agreement, the intention is that Powertech should issue new shares to acquire e controlling interest in Amic'a holding in Asea. It is unofficially pointed out that Powertech could avoid issuing sufficient shares to allow control to slip from Altech's hands.

Powertech and Asea are much the same size. In 1982 Asea's turnover was R160m ($141.5m) and its pre-tax profit was R11m. By way of contrast, Powertech's turnover was R98m in the year to February 28, 1983 and its pre-tax profit R12.5m.

Trading in the sbares of Altech, Powertech, Asea and Altron (whicb is Altech's controlling company) was suspended oo the Johannesburg Stock Exchange on Wednesday pending completion of negotiations. A final agreement is expected to be reached by October 9. At the same time trading has been suspended in the shares of Indumeni, a defunct coal mining company which is controlled by Anglo American.

Stora Kopparberg advances

BY DAVID BROWN *IN STOCKHOLM*

STORA KOPPARBERG, the Swedish forest products company, has lifted pre-tax profits before extraordinary gains but after financial items by 21 per cent to SKr 179m ($23m) for the first eight months ending August.

Extraordinary gains of SKr 67m, stemming mainly from the sale of fixed assets, pushed earnings 42 per cent ahead to SKr 248m.

Total income for the eight months grew by 11 per cent to SKr 3.6bn over the same period last year, while costs advanced by 11 per cent to SKr 3.1bn. Operating results climbed by SKr 259m to SKr 318m for the period.

Net financial costs grew 26 per cent to SKr 139m, due mainly to high interest charges which are expected to moderate by the year-end following several large capital infusions.

In May, Volvo purchased an SKr 495m convertible bond issue in Stora which will give it e 25 per cent stake in the group.

Stora is also to sell its boldings in Iggesunds, e pulp, board and chemicals group, to MoDo, another Swedish pulp and paper group, for SKr 297m later this month.

Defensive Gulf Oil regroups

By Our New York Staff

GULF OIL, the U.S. oil major, whose performance has lagged behind that of many of its rivals, is reorganising itself into a new Delaware holding company which will give it more financial flexibility and *help protect it from disruptive* action by minority shareholders.

Trading in Gulf Oil shares has been unusually active over the last couple of months, and there bave been widely published rumours that one or more individuals may be accumulating substantial shares in the company.

Mellon National Corporation is the biggest single shareholder with 8.7 per cent, but there have been persistent rumours that Mr Boone Pickens' Mesa Petroleum, a frequent speculator in oil shares, has been buying Gulf shares.

The formation of the Delaware holding company, Gulf Corporation, will allow greater flexibility in carrying out administration and operational programmes and will eliminate cumulative voting rights. Gulf is taking this action, it says, because it ie aware that in a number of circumstances over past years, people have accumulated stock positions in companies as a prelude to taking actions directed not at benefiting all shareholders of the company, but rather for their own benefit.

With cumulative voting, a minority shareholder could concentrate votes and obtain potentially disruptive board representation. Mr James Lee, Gulf's chairman, said yesterday that *Gulf is* "unequivocally committed to the principle thet Gulf's shareholders are best served by directors who are responsible for representing all shareholders not just a few."

Industry focuses on new computer models

BY LOUISE KEHOE

SPECULATION about the imminent introduction of new home computer models in the U.S. is rising to fever pitch as industry analysts, consumers and investors try to work out which manufacturers stand to benefit most from the highly lucrative Christmas sales period.

Guessing the introduction date and details of IBM'e "Peanut" home computer has become something of e national pastime. Latest industry suggestions are that IBM's entry into the consumer end of the computer market will occur on November 1. Many people, however, are betting on a mid-October introduction. The date is significant, because it will determine how many units can be delivered to retailers in time for boliday buying.

Anticipation of the IBM Peanut introduction is also severely affecting sales of Apple and other competitive machines. The Peanut is expected to be priced at around $1,500 for a fully configured system.

Coleco has also set industry analysts guessing about the imminent introduction of its Adam home computer. Although Adam is featured in several mail order and showroom catalogues, and has been advertised on television, the $600 machine, which comes with a printer, as well as keyboard and storage devices, has yet to be shipped.

Texas Instruments' plans to announce a $300 home computer to salvage its faltering home computer business are also attracting attention. Latest reports suggest that TI has cancelled plans to introduce the 99/8 this year. That will leave the field open for Commodore to dominate the low-price end of the market with its Commodore 64, which sells for around $200.

Sales of Texas Instruments' $99 99/4A home computer are sagging, *amid rumours that the company* may drop the product.

Strong growth for CBS record unit

BY TERRY DODSWORTH IN NEW YORK

A SHARP turnround in CBS's records division and strong growth in the group's broadcasting activities helped the company to a 32 per cent increase in net income to $33.4m or $1.12 a share for the third quarter to September.

With the publishing division also improving its performance, the gains in the quarter easily offset losses of $15.7m in the Columbia activities, where the group suffered from losses and write-offs on video games software.

The net profits figures was also reached after taking in a much higher tax charge, which rose from $900,000 to $25.5m, but interest costs were cut substantially, falling from $10m in the same period last year to $4.1m.

Sales rose by 10 per cent to $1bn, and the company, which has been rationalising its record and tape manufacturing operations, also improved its overhead controls, with corporate expenses falling from $12.7m to $11.6m.

Banks show reluctance to take credit for Brazilian debt concessions

BY DAVID LASCELLES, BANKING CORRESPONDENT, IN LONDON

THE DECISION by the world's major banks to impose more lenient – rather than harder – terms for Brazil's $11bn package of loans and debt rescheduling last week will be welcomed as something of a breakthrough by those who have accused the banks of profiteering from less developed countries' problems.

But far from feeling satisfied with this display of enlightened self-interest, the banks themselves are distinctly embarrassed and are refusing to discuss it. So are the U.S. banking authorities who appear to have played a key role in welding the rescheduling agreement together.

"This is not a subject we can comment on just now," was the word from one of the *large New York* banks this week.

The reason, of course, is that bankers, like all businessmen, do not like to make concessions. But in this instance there is the extra problem of how "soft" loans should be treated in their books. *Are they* second rate assets because they do not carry full market rate? If so, should special provision or disclosure be made?

What complicates the issue is that bank regulators are under pressure to bend *the rules slightly* so that banks will continue lending to Brazil and avert e greater disaster.

The U.S. banks are particularly touchy because they have by far the *largest exposure to Brazil, and U.S.* bank accounting and disclosure rules are much tougher than those of most other lending countries.

U.S. accounting standards specifically require banks to report "concessionary" loans because they carry the *implication that* the borrower is in trouble. But banks and their auditors can exercise a fair amount of judgment. Is e concessionary loan bad if it helps the borrower througb e tigbt spot and actually increases his chances of repaying all *his debts later on?*

If the auditors decide the Brazilian package is concessionary, the U.S. bank authorities could theoretically classify it and force banks to use some of their profits to make it good. *There are no hard* and fast rules. But bankers at last week's negotiations must have been aware that Congress wants tougher procedures for classifying problem international loans, which could sharply limit their room for manoeuvre.

One *proposal would force banks* to write down a bad loan by 10 per cent in the first year and 15 per cent each year after that when a country was not paying "full interest," or was failing to abide by an IMF programme, or bad no prospect of getting its *financial house* back in *or*der "in the near future."

Banking authorities in Europe are more relaxed about soft loans. UK bankers and accountants, for example, say that the Brazilian package was sound banking because it helps keep Brazil alive and still brings the banks e healthy profit. But bank chairmen might note in their annual reports that the terms were concessionary.

How did U.S. bankers overcome *their worries* about unpleasant regulatory come-back? Thanks, it seems, to the personal intervention of Mr Paul Volcker, the chairman of the Federal Reserve Board, who appears to have given specific assurances that bank supervisors will be understanding.

A Fed spokesman would not comment on Mr Volcker's role. But he is known to believe in the overriding need to keep money flowing to Brazil, and has already stated publicly that banks which lend to countries abiding by an IMF programme "need not fear regulatory criticism."

In bis speech to the American Bankers' Association meeting in Honolulu this week, he again called for more bank loans to Brazil and strongly *implied there would* be no obstacles.

But Mr Volcker does not control all the regulatory agencies in Washington which have power over the banks, notably the fiercely independent Securities and Exchange Commissioo.

As protector of the interests of investors in bank shares, the SEC has already twice challenged the Volcker line in recent months by forcing banks into embarrassing disclosures about their international loan problems.

According to bankers close to last week's negotiations, Mr Volcker sought assurances from the SEC that it would not make life difficult for banks that join the Brazilian package. Neither the Fed nor the SEC will confirm this, and both are prickly about suggestions that Mr Volcker tried to persuade his opposite number at the Commission. But privetely *officials admit that the* Fed and the SEC do keep in touch.

One of them commented: "We don't make concessions but we try to understand people's problems."

The whole affair *would have* caused a lot less heartache if the U.S had e more flexible bank regulatory system. But the trend is if anything, in the direction of even greater firmness. Congress is demanding tougher bank laws as a *condition for* passing the $8.4bn IMF funding bill – the "bank bail-out bill" as it is called.

Bankers say these will discourage all new international lending, let alone Brazilian-style packages *which are supposed* to *benefit* distressed borrowers. But one motive for U.S. bankers to subscribe to the new loans is that, by showing willing, they may mollify some of their congressional critics.

INTL. COMPANIES & FINANCE

As heads roll at Bank Bumiputra Chris Sherwell looks at the extent of the damage done by the Hong Kong loans scandal

Malaysia counts the cost of Carrian

TUESDAY'S TOP level resignations from Bank Bumiputra, Malaysia's largest bank, represent the first punishments to be meted out as a result of the controversial Hong Kong loans affair, in which a subsidiary of the State-owned bank was caught seriously exposed in the Colony's property crash last year.

Technically, the resignations ordered by Dr Mahathir Mohamad, the country's prime minister, spring from the fact that the individuals concerned made money for themselves, in their dealings with the Carrian group, the ill-fated set of companies controlled by Mr George Tan which finally collapsed at the weekend.

But the punishments appear tn many to be only the barest minimum that could have been done, and may well fail to mark the end of the controversy. The trial of Mr Tan in Hong Kong may reveal more than has already surfaced, and it seems possible that the political reverberations in Malaysia will grow.

Already the Government in Kuala Lumpur is suffering the gravest embarrassment. The country's flagship bank, through its wholly owned subsidiary in Hong Kong, Bumiputra Malaysia Finance (BMF), has lost money to Chinese property speculators in the British Colony when its main raison d'etre is to help indigenous Malays (Bumiputras) compete effectively with their economically stronger Malaysian Chinese compatriots.

More heads could yet roll in the affair, which has also highlighted the way appointments are made in Malaysia, the lack of internal controls within some banks and the vulnerability of individuals in high places to seductive business offers.

Some sort of official action by the Malaysian Government had been long awaited. Dr Mahathir said previously that the priority was to recover the money at risk in Hong Kong, and he confirmed on Tuesday that the Government had needed the co-operation of the resigning officials for this purpose.

But he has also repeated that BMF's lending was imprudent, and officials said two months ago that resignations would be coming soon. The end of the Carrian saga in Hong Kong has precipitated the latest developments in Kuala Lumpur.

Figures already produced in Hong Kong's courts show that BMF lent a total of around HK$4.6bn (U.S.$558m) to the Carrian group, and that BMF is Carrian's biggest creditor, ahead even of the prestigious Hongkong and Shanghai Banking Corporation, which along with other banks has also been embarrassed by the affair.

Other figures produced in the Hong Kong courts suggest that while the unlisted Carrian Holdings received some HK$210m from BMF the publicly quoted Carrian Investments received nothing et all.

This would suggest that the vast bulk of BMF's loans to Carrian actually went to other companies owned or controlled by Mr Tan. Moreover, according to the Hong Kong prosecutor, some HK$2bn of this has gone missing.

According to BMF's audited accounts, BMF had outstanding loans of about HK$5bn at the end of 1982. The HK$4.6bn lent to the Carrian group thus amounts to more than 90 per cent of its total lending. The remainder went to just two places:

- Eda Investments, a company owned by property tycoon, Mr Chung Chin Mun, with whom Mr Tan was once associated but subsequently fell out. The company has since gone into liquidation.
- Mr Kevin Hsu, a property developer and jeweller, who continues to make repayments.

This lending by BMF amounts to about a quarter of Bank Bumiputra's total loans outstanding at the end of last year. Mr Lorraine Esme Osman and Dato' Mohamed Hashim Shamsudin, two BMF directors, who were also members of the Bank Bumiputra board's executive committee, are apparently being held responsible for its loan policy. Both are among the executives who have been ordered to resign their positions.

Tan Sri Kamarul Ariffin, who resigned as executive chairman nf Bank Bumiputra in February 1982, said yesterday he never inquired about the daily borrowing and lending of BMF but maintained a policy of clearing all major loans by the parent bank to its branches.

The former chairman indicated strongly that the heavy funding by the parent bank for its subsidiary really only picked up after he left office If there was misguided lending up to that time, he took full responsibility as Chairman, he said.

For Dr Nawawi Mat Amin, the man who replaced Tan Sri Kamarul, the desperate efforts to save the ailing Carrian companies and recover at least some of the money has reflected on him and has been damaging for the bank. According to Dr Mahathir a quarter of the money might still be recovered.

Dr Nawawi released a statement yesterday repeating that the bank, with 17.3bn ringgit (US$7.3bn) in assets, remains sound and has the full backing of the government. But it remains unclear how far responsibility for the Hong Kong loans affair will go.

Dr Mahathir suggested that other Bank Bumiputra board members might not have been fully informed of what was going on in Hong Kong, a worrying admission about the bank's management.

For Tengku Razaleigh, Malaysia's Finance Minister, the affair has been particularly embarrassing. Tan Sri Kamarul is reckoned to belong to Tengku Razaleigh's political camp, which may be one reason why he, along with many other senior bankers, found themselves changing jobs once Dr Mahathir ascended to the premiership.

While Razaleigh has remained quiet, Mr Lim Kit Siang, the opposition leader in Malaysia's Parliament, has grown more and more critical. Yesterday he described Dr Mahathir's action as being "as shocking as the scandal itself," and demanded to know whether Bank Bumiputra came under the oegis of the Prime Minister or the Finance Minister. Either way, he suggested, there had been incompetence and a shirking of responsibility.

That Dr Mahathir has only gone as far as he has seems something of a surprise. As Mr Lim points out, how can there be a "heinous crime," to quote the Prime Minister, but no criminals and no charges in the courts? Announcing the resignations, Dr Mahathir seems almost to concur: "I think those involved are going to get off very lightly compared to the problems they have caused the government and shareholders of Bank Bumiputra."

The five, according to Dr Mahathir, have not done anything illegal, but were morally wrong. In addition, it seems, they do not have to return any of their ill-forgotten gains, although that presumably ewaits further decision.

In all this, various questions remain to be answered:

- How much money was lent by BMF, and to whom and on what basis?
- Who knew about the questionable loans, and when, and who benefited by them?
- Who was behind Mr Tan and the Carrian group of companies that made him such an attractive credit risk to the men at BMF?

THE MASSIVE loan controversy at Malaysia's Bank Bumiputra subsidiary in Hong Kong is taking on new political dimensions as the public outcry continues in spite of the attempts of Dr Mahathir, the Prime Minister, to defuse the issue, Wong Sulong reports.

Mr Lim Kit Siang, the opposition leader, described the affair as "shocking" and "scandalous" and demanded a royal commission of inquiry.

Tan Sri Kamaral Ariffin, former executive chairman nf Bank Bumiputra, has denied Dr Mahathir's claims of his involvement in the Hong Kong loans.

Dr Nawawi Mat Awin, the current bank's chairman, has confirmed that bank directors and senior officials involved in the controversy would submit their resignations "shortly."

It is reliably understood that Mr Lorraine Osman and Datuk Hashim Shamsudin, both directors of the Bank and its Hong Kong subsidiary, Bumiputra Malaysia Finance, Mr Ibrahim Jaffar, BMF's general manager and Dr Rais Saniman, bead of the bank's International Division, will be leaving the banks employ.

Speaking out on the issue for the first time since he resigned as the bank's chairman Tan Sri Kamarul suggested that he was being made a scapegoat and there were political considerations in the way the Government and bank management had handled the matter. He said he had not done anything "legally or morally wrong."

Toyota South Africa to expand

BY OUR JOHANNESBURG CORRESPONDENT

SOUTH AFRICA'S largest car maker, Toyota, is to expand and improve its production facilities at a cost of R190m ($170.8m) over the next two years. The expansion, according to Mr Colin Adcock, the managing director, is planned to take advantage of a strong advance in motor vehicle sales forecast for 1985-86.

The expansion programme, which will cost an estimated R58m is designed to increase annual production capacity to an initial 125,000 vehicles to be followed in a few years by an increase to 150,000 vehicles.

During the first six months of this year Toyota sold 43,101 vehicles and gained a 22.4 per cent share of the country's depressed vehicle market.

The South African company's production contract with the Japanese Toyota company is due to expire at the end of 1985. However, a renewal agreement is to be signed next year.

In addition to the expansion, the company plans to spend R32m in replacing facilities and equipment and R100m on retooling. Mr Adcock says that the latest technology will be imported from Japan.

During the first half of this year Toyota had an operating profit of R26.8m before tax and Lifo (last in first out) accounting adjustments. An interim dividend of 65 cents was paid from first-half earnings of 300 cents a share. In 1982, Toyota sold 100,259 vehicles and earned an operating profit of R50.1m on a turnover of R792m. A total dividend of 130 cents was paid from earnings of 712.2 cents a share.

Toyota is entirely South African owned and the Jopanese company does not have any equity interest.

Winding-up for Carrian offshoot

HONG KONG — The Registrar General yesterday presented o petition to the High Court for the winding-up of Kei Chong Home Service Life Insurance, a company indirectly controlled by the Carrian group.

Kei Chong is e wholly-owned unit of China Underwriters Life and General Insurance, a subsidiary of Carrian Investments. The Registrar General earlier filed a winding-up petition against China Underwriters.

The Government move follows the filing of petitions against Carrian Investments, a publicly quoted company, ond its private parent company Carrian Holdings, by several banks after a year-long rescue effort.

- Mr Arthur Williams, partner in a New Zealand joint-venture with the Carrian group, said he is buying out the Carrian interest.

Mr Williams, chairman of Carrian-Williams Holdings, an unlisted New Zeeland-based property and investment company, said that members of his family are buying back the 7m shares acquired by Carrian Investments in o share swap.

Agencies

Japan banks buy more foreign bonds

TOKYO — Eight Japanese trust banks have sharply increased investment in foreign bonds due to the large differentials between Japanese and overseas interest rates.

The outstanding balance of their investment in foreign bonds, including U.S., Australian and German bonds, totelled Y438.8bn ($1.9bn) at the end nf August, up nearly 40 per cent from the end of March figure.

The end-August balance represented 5.4 per cent of their total pension fund holdings of Y8,087bn.

The eight banks, which include Daiwa, e city bank that is also engaged in trust business, are allowed to invest up to 10 per cent of their pension trust funds in foreign securities under a Finance Ministry guideline.

The Ministry may be asking the eight banks to apply self-restraint to their overseas investment to support the yen against the dollar.

Japanese life insurance companies have been restricting monthly investment in foreign bonds to 20 per cent of funds available et the Finance Ministry's behest.

The Ministry also maintains a guideline to limit the foreign investment of life insurers to 10 per cent of their total assets available for lending.

Reuter

John Wicks looks at a Swiss machine tool maker's answer to change

Dixi's old but flexible strategy stands up to recessionary storms

SWITZERLAND'S machine-tool industry is passing through a difficult period. According to the Swiss Association of Machinery Manufacturers, world-market demand is flagging, competition is increasing and sales prices are under pressure.

The industry's orders on hand at mid-year were equal to only about 4.4 months' production—well below average throughput times. Although Swiss manufacturers have been able to increase their world market shares, actual sales volumes have fallen off, and do not look like rising for some time yet.

As unsatisfactory for Swiss machine tool makers in general as things are, most individual manufacturers have been weathering the storm remarkably well. A case in point is Dixi, best known as the pioneer of jig-borers, but today having a diversified sales programe extending far outside the machine-tool sector. With its wide range of activities and a high degree of product innovation, the privately-owned Le Locle company is still very much in business.

Like many other Swiss businesses, Dixi was born from an invention. At tha turn of the century, the "Le Phare" watch factory set up a small division to develop precision machine-tools for its own use. In 1904, this produced the world's first so-called pointing machine for precision marking of watch plates, jigs and dies before machining. This centre punching equipment, with a graduated scale working to tolerances of a hundredth of a millimetre, was later linked to a flexible drive to become the first-ever vertical jig-borer. Within a few years, watch production was given up at the Le Locle plant, which was turned over completely to this machine tool division.

Dixi developed its jig-borer operations, pioneering a large-scale model suitable for general mechanical purposes—and not just for watch-industry applications—before the First World War, and the first high-precision borizontal jig-borer in 1948. The largest jig-borer on the world market is still the "Dixi 55," introduced in 1967 with table dimensions of 1.35 by 1.8 metres.

Ten years later, the company presented its latest, state-of-the-art model with the "Dixi 400;" also in 1977, the introduction of automatic tool changers for 72-or-144 tools gave existing units the performance and capacity of high-output machining centres. The company's first numerical-control system had already been available in 1961.

Dixi sees itself, with some justification, as making the "Rolls-Royces of jig borers." The once-modest punches have turned into high-precision (±0.001 mm), high-technology machines built under controlled conditions — with temperature kept within half-a-degree of 20 C and relative bumidity at 55-60 per cent. The modernisation of manufacturing techniques has not cut out the craft element in the factory, where surfaces are still band-scraped for accuracy; this calls for up to 860 man-hours for a single machine.

Much of the expansion of interests results from M. Paul Castella (left) taking over the group in 1959. But the machine-tool company has gone back to its roots and re-entered the watch and clock business. At the same time, things may well be looking up in the machine tool business generally, though this is now in a difficult period.

For all its success over the years, Dixi decided early that it needed more than a single speciality. This has proved valuable today, when recession bas made itself felt in the machine-tool sector. Production is now down to some 35 or 40 units per year, compared with a capacity of some 65, and the division bas for some months been working short time.

The days when 95 machines were being turned out annually are past but this is largely the result of increased model sophistication. Orders seem unlikely to pick up moch before next year, though a jig-borer contract for 12 units for the Soviat Union is in the offing. The biggest order ever was one of 65 machines from China, a well established client.

Over the years, expansion has been generated internally and by a policy of acquisition. As long ago as 1924, diversification was started with the foundation of Cylindre—a manufacturer of clock and watch components which has grown to a 400-machine factory turning out some 500m parts a year.

Dixi entered the military market first in 1937, when it set np a plant for mechanical time fuses, and followed with its most-recently formed division—dating from 1972—making radio-controlled targets for weapon practice. A £1.4m ($440,000) order for Dixi targets was placed not long ago by the British Army. Also self-generated was the beavy-duty tool division, which grew out of a small Dixi workshop and now manufactures some 100,000 tungsten-carbide and diamond-tipped tools per month.

In the engineering sector, the programme was expanded by the acquisition in 1960 of Marksa (air compressors and industrial refrigeration equipment) and in 1976 by that of Tungstène Carbid, which added tungsten-carbide balls to the tool division's assortment. Shortly before this latter move, Dixi bad teamed up with SIP, the Geneva-based jig-borer manufacturer, to market a modular system of precision boring tools made by the partners through the joint-venture subsidiary Cie d'Outillages de Précision.

Much of this expansion has takeo place since Dixi was acquired in 1959 by M Paul Castella, who today bolds all shares in the various group companies. Now working together with his successors-to-be, sons Pierre and René, he was also responsible for taking the company back to its roots and re-entering the watch and clock business.

Dixi has in the past 20 years taken over a number of manufacturing businesses in this sector, including the quality watch, clock and jewellery company Paul Buhré, the luxury watch firms Jean Perret and Zodiac and the quality clock company Luxor. Since 1978, Dixi and Adia International — the "temps agency" group subsidiaries of which include Alfred Marks in London — have shared a 75-per cent stake in Zenith-Movado, the manufacturer of watches, pendulum clocks and telephone dials. Elsewhere, the group entered the furniture business through its subsidiary Segalo.

Since M Castella took over the reins, more than SwFr 100m ($47.6m) has been invested in the company, which has grown six-fold as a result. Today, total group turnover amounts to something like SwFr 150m — of which about SwFr 80m is accounted for bythe mechanical engineering divisions. This spread of activities bas belped Dixi through what could have proved hard times for a machine-tool "monoculture" company.

Things may well, in the event, be looking np in machine-tool operations fairly soon. Orders were generally rather better at Dixi in the first few months of 1983 than for the corresponding period of last year, and there could well be an improvement in business in the wake of the trade's leading European fair, EMO. However, there is no euphoria at Le Locle: this year will not be a good one in the machinery sector, says Dixi, and prices look like staying at their January, 1982, level. Instead of trying to raise prices, the company prefers to cut manufacturing costs wherever possible.

UK COMPANY NEWS

Bejam at £12m after static second half

SECOND-HALF pre-tax profits of Bejam Group, food and freezer retailer, were virtually unchanged at £5.94m, against £5.98m, leaving the figure for the 52 weeks ended July 2 1983 just ahead from £11.75m to £12m and in line with forecast.

In their interim report the directors said it was difficult to comment on the full year's outcome, but they anticipated a modest increase in profits.

Based on trading results to date they are now optimistic for the current year. Food sales are significantly ahead, of the same period last year, in established branches, apart from the contribution from new stores opened since then.

Sales for the 52 weeks amounted to £259.22m, compared with £232.57m last time, and were split between: retail sales—food £230.22m (£208.02m); freezers, microwave cookers and refrigerators £18.68m (£13.69m); other sales £10.32m (£10.85m).

Mr John D. Apthorp, chairman, explains that the 11 per cent rise in retail food sales—6 per cent from new stores—was insufficient to give more than a marginal increase in net profit. Trading, be says, was adversely affected by an ebundance of cheap fresh vegetables and no inflation in food prices.

Sales of appliances were "very satisfactory" the chairman says. Almost 150,000 were sold—a 34 per cent increase in 1981-82—which were mainly freezers and fridge freezers, but also included "a growing number of microwave ovens and refrigerators."

Tax charge for the year was £4.11m (£4.82m) after which earnings were 8.04p (7.08p) per 10p share. A final dividend of 1.75p (1.5p) lifts the net total from 2.75p to 3.25p.

Mr Apthorp says that 14 new stores were opened during the year, three of which replaced smaller successful units nearby. There were 195 stores operating, as at July 2 last, bringing the total selling space to 821,000 sq ft. He adds that the number of stores will increase to over 200 before the end of 1983.

Pre-tax figure was after a £409,000 (£457,000) allocation to employee profit sharing scheme. After dividends, £3.19m (£2.68m), the amount retained was ahead from £4.25m to £4.71m.

● comment

About the only positive thing to say ebout Bejam's figures is that they were no worse than expected. Ever since the interim statement outside forecasters have been cbipping away at their earlier estimates of £14m to £15m. An abundance of fresb vegetables is about as good for a frozen food specialist as an electricity cut. Vegetables may account for no more than 12 per cent of sales normally but the fall to 10 per cent means e lot more than the loss of a few packets of brussels sprouts. With no need to come in for vegetables a lot of shoppers just didn't come in. Combined with negative food price inflation it is perhaps impressive that Bejam managed any profits growth. Yet 1983-84 should be a complete antithesis to last year. Food price inflation should comfortably outstrip rising costs, the poor harvests will have made sure of that. This year profits will be good but outside estimates seem all over the plece. Something around £15m pre-tax is probably about right dropping the p/e from 18 to 14½ at 145p on a tax charge of a third. Bejam traditionally sells on a premium rating and if the growth trend is resumed as expected there is no reason for thet to change. Even so these figures have once again demonstrated bow vulnerable Bejam is to the weather.

First Castle jumps 47% at six months

A 47 per cent jump in pre-tax profits from £562,398 to £838,021 is reported by First Castle Electronics for the half year to July 31 1983. The result has benefited from a full six months' contribution from Centronic.

Reflecting the Centronic contribution, turnover soared by some 155 per cent from £2.6m to £6.61m. Earnings per 10p share —after adjusting for the 1982 rights issue—rose from 3.53p to 4.47p. The interim dividend is 10 per cent higher at 0.77p (0.7p) net. Last year's total was 1.75p on £1.23m profit.

First-half 1983 pre-tax profits were struck after £17,500 (nil) consolidation written off. After minority debits this time of £27,000, attributable profits were up from £562,398 to £811,021.

No tax provision has been made for the period, as the board feels there is unlikely to be a tax charge arising in the current year because of the availability of capital allowances.

Commenting on the results Mr Leslie Connor, the chairman, says thet at Able Electric the move to new premises has been completed and the short-term disruptions of settling into the enlarged premises have been overcome. Fleetworld cootinued its excellent performance and BRM has succeeded in breaking into new markets by expanding its customer base.

At Centronic the sales of the Small Arms Weapons Effect Simulator have steadily increased and the system is being well promoted overseas. The nuclear division has done well and new contracts have been gained for Neutron Flux Detectors for use in Ontario, Canada.

Scot. Metropolitan

Taxable profits of Scottish Metropolitan Property increased from £5.84m to £6.51m for the year ended August 15 1983. Net revenue from properties was up from £5.81m to £6.77m and other income amounted to £1.03m, against £1.25m.

After tax of £2.14m (£2.09m) available profits rose from £3.75m to £4.37m. Earnings per 20p share climbed from an adjusted 3.87p to 4.51p and the net dividend is effectively higher at 3.5p (3.182p) with a final of 2p.

Fogarty recovers to £0.6m halfway

THE RECOVERY in profits forecast last April by Fogarty, continental quilt maker, has materialised in the first-half of 1983. There has been e turnround from losses of £533,000 to profits of £616,000. The company returned to profits in the second half of 1982 cutting the first half deficit to £12,000.

The directors say that current trading reflects the normal seasonal upturn.

The net interim dividend has been held at 1.6p—in the last full year e final of 2.42p was also paid. Earnings per 30p share for the six months amounted to 4.77p against previous losses of 6.59p.

First half turnover was lower at £15.45m (£16.97m). Tax has been estimated at £97,000 (£86,000). At the attributable level profits emerge et £519,000 (losses of £1.94m after extraordinary debits of £1.32m). Dividends will ebsorb the same again at £201,000.

First half increase for Spirax-Sarco

TAXABLE profits of international energy control group, Spirax - Sarco Engineering increased from £3.6m to £3.91m for the six months ended June 30 1983, from turnover of £25.84m, against £22.43m.

Mr A. C. Brown, the chairman, says that difficult trading conditions continued in the majority of the group's world operations.

Trading profits showed a 15 per cent rise to £3.62m, of which a small contribution was made representing two months' profit from the newly-acquired U.S. operation—the former Sarco division of White Consolidated Industries Inc, purchased last April.

The chairman says that in the directors' circular, last April, announcing the U.S. purchase, it was noted that its sales for the first quarter of 1983 were lower than the same period the previous year. That company's sales continue to be below the level of the preceding 12 months, and its profitability accordingly remains lower than last year.

After tax of £1.49m (£1.59m) earnings per 25p share were 5.8p, compared with 5.1p, and the interim dividend is maintained at 1.7p net on capital increased by the group's rights issue—last year's final payment was 3.3p and pre-tax profits totalled £8.5m.

Pre-tax figure for the six months included lower interest receivable, less payable, of £287,000 (£446,000) reflecting the financing charge for the U.S. acquisition, partly offset by the proceeds of the rights issue.

After tax, minorities, £56,000 (£64,000), and e £38,000 (nil) allocation to share ownership scheme, the ettributable balance was £2.32m, compared with £1.94m.

● comment

Spirax Sarco is one of a very few British engineering companies to beve maintained e solid profit growth rate during the long recession, and its shares bave understandably won a premium rating. The latest results show once again the group's strength; trading profits are up 15 per cent despite the depressed state of most markets for valves and other fluid controls. Demand for Spirax's products, notably from process plant operators, tends to lag e recovery slightly, so the main UK businesses should strengthen in the second balf. The 12p fall in the share price yesterday to 170p may be e reaction to the chairman's indication that sales of the recently acquired U.S. company are not recovering as expected. Still, group profits should exceed £10m in the full year, and the prospective p/e of around 15 seems well founded.

United Parcels advances to £3.9m

PRE-TAX profits of express carrier, United Parcels, increased from £3.36m to £3.87m in the 26 weeks to July 30, 1983, while turnover rose by £3.4m to £39.17m. Volume growth has been maintained though trading conditions remain very competitive, the directors state.

Earnings per 10p share were 0.5p higher et 5p and the net interim dividend is effectively raised from 0.7p to 0.8p, on increased capital. A total of not less than 2.8p (adjusted 2.55p) was forecast in June at the time of the £10.2m rights issue.

After tax up from £1.04m to £1.25m, first-half net profits were ahead by £0.3m at £2.62m. The interim dividend absorbs £506,000 (£368,000).

For the last full year, taxable profits totalled £6.73m.

● comment

United Parcels bas displayed e steady pattern of growth for the last 10 years spending its way through the recession of the last three to the tune of £11.8m on acquisitions and updating its existing fleet and premises. It provides a national parcel service with perhaps e 10 per cent market share. It expects to sustain existing growth rates if the economy gets no worse and is still looking for further suitable acquisitions to strengthen the business following the £10.2m rights issue of July. The last two acquisitions, Arrowfast Express and Nationwide Express, both unprofitable wben they were taken over, should be net contributors by the end of the year wben United Parcels could make £7.7m pre-tax. The shares at 115p down 5p yield 3.5 per cent on the forecast net dividend for the year of not less than 2.8p. On an actual tax rate of around 30 per cent the shares sell on a prospective p/e of just over 13.

HIGHLIGHTS

Lex comments on the state of play in the gilt market where a new tap joined yesterday with the distinction of being the longest dated stock around. The column then goes on to look at events across the Atlantic where Wall Street started to get the jitters as the impression grew that the Fed will not relax its present stance. Honda Motor reported a decline in first half parent company profits which prompted the resignation of the president. The column then moves closer to home again to turn its attention to the bids which promise to reconstruct the British laundry sector. Finally Guinness Peat launched a bid for Moorside Trust in a "back door" rights issue.

N. American boost for Steel Brothers

MAINLY AS e result of reduced interest charges and a consequent recovery in earnings in Canada and the U.S., taxable profits of construction, foodstuffs, manufacturing concern Steel Brothers Holdings moved ahead from £4.5m to £5.61m for the first six months of 1983.

The interim dividend is stepped up to 4p (3.5p) net per 25p share—last year's final distribution was 8p and taxable profits were £10.02m.

Group turnover fell from £60.06m to £52.93m for the first half and the pre-tax figure was after depreciation of £1.94m (£1.84m) and interest, much lower at £1.09m, against £2.16m.

An analysis of pre-tax profits shows: fod and cetering £3.80m (£3.71m); rock products and construction supplies £1.05m (£285,000); engineering £225,000 (£499,000); general trading £194,000 (£39,000 loss); insurance broking £305,000 (£277,000); investment income £5,000 (£29,000); other income £489,000 (£130,000); central costs, including interest £344,000 (£383,000).

Tax charge amounted to £1.73m, against £1.4m and was split between UK £344,000 (£847,000) and overseas £1.38m (£555,000). Earnings per share were 30.45p (26.01p).

● comment

Steel Brothers' 25 per cent increase in pre-tax profits was well above market expectations and the shares rose 10p to an al-time high of 385p. Analysts, meanwhile, hurriedly marked up their full year forecasts to around £11.5m, against the 1982 pre-tax out-turn of £9.9m. The underlying trading performance, however, looks less exciting. Just over £1m of the profits advance is directly ettributable to a reduction in interest charges thanks to a £12m cash injection from the Anaconda compensation and disposal of 51 per cent of the Dubai operations. The compensation payment of £8m also provides the explanation for a nearly quadrupled contribution from rock products and construction supplies. Yet that division could well provide the main thrust in the current half on the back of a revival in the North American construction industry. A reduced level of oil and construction related activity in the Gulf should mean another lacklustre performance from Spinneys. The prospective p/e is 7.3 on a 31 per cent tax charge, wbile the yield is nearly 5 per cent, assuming a final dividend of 9p net.

Notice of Redemption and Termination of Conversion Rights

Monsanto International Finance Company

4½% Guaranteed Sinking Fund Debentures Due 1985

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of October 15, 1965 under which the above-designated Debentures are issued, $1,250,000 principal amount of the said Debentures of the following distinctive oumbers has been drawn by lot for redemption on October 15, 1983 through the operation of the Sinking Fund at the redemption price of 100% of the principal amount thereof, together with accrued interest thereon to the date fixed for redemption:

$1,000 COUPON DEBENTURES BEARING THE PREFIX LETTER M

39	1731	3450	4901	6128	7553	9799	10836	12566	14432	15720	17463	18187	20481	21607	23021	24046
54	1741	3459	4906	6159	7566	9800	10848	12581	14516	15739	17478	19226	20527	21612	23094	24056
65	1742	3462	4914	6177	7569	9930	10852	12583	14529	15764	17545	19238	20546	21613	23107	24061
106	1762	3479	4944	6189	7605	9934	10870	12606	14561	15790	17562	19262	20573	21647	23113	24096
107	1767	3493	4959	6190	7619	10002	10873	12697	14562	15826	17584	19290	20609	21654	23121	24118
109	1771	3504	4974	6202	7628	10032	10884	12703	14577	15832	17591	19293	20634	21696	23131	24119
112	1777	3507	5013	6206	7663	10097	10919	12781	14601	15879	17619	19299	20658	21959	23143	24140
132	1781	3509	5027	6218	7670	10114	10936	12789	14609	15887	17620	19323	20678	21980	23150	24144
275	1792	3529	5090	6223	7693	10125	10955	12806	14729	15903	17662	19326	20690	21981	23160	24151
276	1814	3530	5097	6229	7705	10144	10995	12859	14757	15918	17696	19331	20745	21985	23181	24161
279	1843	3606	5099	6254	7706	10160	11034	12866	14764	16057	17737	19838	20778	21987	23199	24172
313	1857	3658	5117	6256	7712	10176	11097	12913	14787	16062	17802	19378	20782	21999	23281	24208
358	1894	3705	5130	6278	7754	10196	11120	12920	14777	16064	17839	19380	20821	22004	23295	24218
404	1903	3737	5131	6308	7893	10227	11139	12947	14786	16087	17858	19398	20840	22005	23308	24226
432	1912	3743	5139	6309	7923	10236	11151	12982	14787	16090	17871	19413	20852	22007	23336	24231
454	1930	3779	5174	6318	7933	10244	11251	13010	14798	16094	17902	19425	20894	22015	23356	24235
455	1958	3785	5208	6391	8062	10247	11284	13033	14793	16150	17906	19470	20900	22021	23366	24258
463	1961	3798	5212	6430	8065	10250	11334	13037	14807	16215	17930	19479	20910	22029	23387	24291
469	1996	3824	5218	6433	8068	10258	11339	13078	14809	16220	17952	19496	20927	22045	23390	24298
555	2008	3831	5220	6447	8070	10260	11345	13120	14810	16227	17992	19525	20969	22048	23397	24299
557	2032	3832	5226	6515	8148	10264	11427	13144	14814	16312	18011	19561	20986	22064	23430	24308
622	2033	3840	5228	6540	8295	10266	11428	13160	14860	16329	18018	19580	21000	22105	23438	24347
624	2070	3894	5298	6565	8326	10267	11437	13172	14866	16378	18082	19587	21004	22118	23441	24361
643	2088	3937	5305	6574	8346	10273	11450	13174	14871	16380	18110	19590	21018	22120	23452	24369
644	2090	3938	5308	6584	8421	10275	11472	13200	14872	16392	18111	19594	21024	22128	23454	24378
651	2097	3946	5325	6588	8453	10276	11482	13217	14890	16395	18301	19598	21080	22135	23457	24394
668	2099	3991	5434	6617	8488	10285	11487	13225	14902	16475	18302	19686	21092	22162	23463	24396
705	2102	3996	5440	6640	8553	10287	11508	13226	14932	16513	18330	19695	21093	22192	23465	24409
714	2159	4002	5443	6644	8569	10292	11517	13324	14940	16532	18333	19713	21111	22204	23478	24421
751	2238	4011	5466	6669	8598	10295	11526	13357	14966	16552	18403	19718	21138	22246	23496	24424
785	2424	4012	5476	6671	8650	10304	11530	13424	14980	16559	18416	19722	21144	22255	23510	24434
896	2494	4013	5478	6681	8661	10310	11536	13455	14982	16572	18421	19731	21157	22282	23517	24500
910	2516	4020	5479	6699	8670	10314	11558	13466	14986	16578	18425	19734	21169	22290	23532	24507
944	2519	4047	5486	5702	8703	10315	11599	13460	15017	16583	18435	19747	21180	22309	23534	24513
959	2630	4064	5492	6706	8824	10318	11643	13480	15029	16592	18441	19751	21189	22314	23548	24526
967	2634	4066	5494	6715	8826	10329	11659	13488	15056	16617	18444	19757	21193	22414	23569	24541
969	2681	4074	5509	6729	8855	10331	11663	13507	15067	16619	18445	19763	21214	22432	23570	24565
980	2706	4080	5522	6758	8888	10332	11671	13523	15072	16620	18471	19809	21221	22438	23576	24571
988	2735	4094	5536	6801	8924	10333	11685	13576	15111	16642	18472	19819	21227	22469	23593	24648
1016	2770	4098	5585	6804	8939	10334	11720	13585	15118	16652	18537	19822	21266	22492	23600	24658
1069	2776	4110	5596	6836	8979	10344	11723	13608	15125	16709	18538	19831	21273	22529	23642	24680
1071	2791	4137	5602	6864	8989	10349	11730	13621	15149	16731	18540	19839	21276	22538	23653	24694
1128	2804	4139	5633	6906	9029	10350	11766	13622	15153	16740	18562	19861	21298	22547	23659	24701
1129	2847	4199	5641	6928	9032	10356	11770	13648	15156	16748	18575	19866	21303	22594	23660	24709
1131	2851	4280	5645	6932	9042	10365	11771	13670	15194	16749	18611	19884	21309	22595	23681	24715
1137	2862	4381	5647	6940	9047	10370	11807	13696	15245	16757	18612	19885	21332	22605	23719	24727
1159	2870	4396	5670	6974	9100	10372	11874	13704	15311	16768	18620	19901	21350	22626	23723	24750
1166	2871	4407	5683	6975	9107	10375	12106	13709	15532	16797	18656	19903	21384	22635	23785	24754
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1339	3031	4545	5959	7111	9316	10521	12155	14128	15453	17058	18798	19966	21547	22743	23897	24919
1351	3033	4550	5960	7114	9342	10555	12156	14149	15458	17074	18815	19990	21593	22756	23911	24922
1369	3046	4554	5962	7131	9375	10557	12172	14159	15462	17080	18818	20100	21600	22800	23920	24923
1390	3047	4566	5984	7145	9403	10568	12192	14165	15494	17110	18829	20167	21617	22804	23925	24959
1392	3057	4599	5991	7249	9405	10634	12195	14197	15495	17158	18841	20190	21620	22811	23927	24975
1418	3114	4677	6006	7286	9407	10639	12198	14203	15520	17151	18845	20211	21629	22851	23935	24988
1431	3121	4686	6021	7292	9452	10647	12204	14222	15537	17187	18866	20243	21642	22862	23937	25002
1446	3139	4726	6022	7293	9494	10646	12221	14223	15545	17287	18897	20247	21684	22877	23942	25005
1450	3186	4770	6050	7330	9517	10660	12264	14242	15559	17326	18909	20249	21690	22902	23951	25006
1457	3199	4772	6054	7366	9522	10663	12340	14246	15590	11373	18925	20266	21709	22947	23952	
1483	3216	4777	6065	7400	9529	10694	12341	14256	15599	17374	19010	20292	21721	22965	23970	
1503	3257	4808	6066	7417	9531	10747	12384	14258	15611	17385	19021	20318	21733	22965	23972	
1543	3290	4813	6068	7470	9533	10748	12463	14310	15621	17396	19120	20324	21754	22980	23976	
1548	3330	4816	6077	7515	9536	10752	12471	14325	15648	17409	19128	20332	21761	22991	23986	
1599	3341	4840	6083	7516	9672	10768	12479	14341	15662	17433	19132	20370	21788	22999	23990	
1644	3415	4878	6087	7527	9757	10799	12492	14412	15667	17443	19133	20378	21799	23002	24005	
1697	3439	4892	6117	7550	9797	10811	12521	14421	15683	17451	19142	20445	21805	23004	24010	

The Debentures specified above are to be redeemed for the said Sinking Fund at the option of the holder (a) at the Receive and Deliver Windows of Citibank, N.A., Trustee under the Indenture referred to above, 111 Wall Street—5th floor, New York, New York 10043 or (b) subject to any laws or regulations applicable thereto, at the maio offices of Citibank, N.A. in Amsterdam, Brussels, Frankfurt (Main), London (Citibank House), and Paris and the main office of Kredietbank Luxembourg S.A. in Luxembourg, the Company's Paying Agents. Payment at the offices referred to in (b) above will be made by check drawn on, or transfer to a dollar account maintained by the Holder with, a bank in The City of New York. On the Redemption Date such Debentures shall become due and payable at the Redemption Price and on and after such date, interest on the said Debentures will cease to accrue and the coupons for such interest shell be void.

The Debentures specified above should be presented and surrendered at the offices set forth in the preceding paragraph on the said date together with all interest coupons maturing subsequent to the Redemption Date. Coupons due October 15, 1983 should be detached and presented for payment in the usual manner.

CONVERSION OF DEBENTURES INTO COMMON STOCK

The above specified Debentures called for redemption may be converted at the option of the holders thereof at said Receive and Deliver Windows of Citibank, N.A., io New York and at the principal offices of Citibank, N.A. in Amsterdam, Brussels, Frankfurt (Main), London (Citibank House), and Paris and the main office of Kredietbank Luxembourg S.A. in Luxembourg, into Common Stock of Monsanto Company upon surrender of such Debentures, with all unmatured coupons attached, at any time until the close of business on said redemption date, at the conversion price of $85 per share of Common Stock. ON SAID REDEMPTION DATE SUCH CONVERSION RIGHTS WILL TERMINATE AS TO ALL DEBENTURES BEING REDEEMED AS SPECIFIED ABOVE. Upon conversion of any Debenture, no adjustment on account of interest or dividends will be made and oo fractional shares of Common Stock will be issued.

MONSANTO INTERNATIONAL FINANCE COMPANY
By: CITIBANK, N.A. as Trustee

October 6, 1983

Lower interest received leaves Greenbank down

MUCH lower interest received, down from £211,000 to £64,000 has cut the taxable surplus of eogineering and abrasive-resistant group Greenbank Industrial Holdings to £605,000 for the first six months of 1983, compared with £666,000 last time.

The directors say that depressed world coal demand is reducing orders from the company's abrasion-resistant products and the consequent lower activity will affect the full year's trading result.

The interim dividend is maintained at 0.8p net per 10p share —last year's final payment was 1.3p and pre-tax profits totalled £2.38m (£1.98m).

Sales for the six months were well ahead from £5.13m to £6.45m and trading profits increased to £678,000, against £592,000. The pre-tax figure included the interest received, but was (after depreciation, little changed at £128,000 (£125,000), and interest paid of £9,000 (£11,000).

Net profit came through at £320,000 (£379,000) after tax of £285,000, compared with £287,000.

Armour holds recovery

Armour Trust recovered further with pre-tax profits up from £232,000 to £295,000 in the year ended April 30 1983 and the dividend is marginally increased by 0.015p to 0.165p net per 10p share.

The directors have been examining opportunities in the high technology and electronics areas.

As an initial step they bave purchased a 22 per cent interest in Microsell Systems, which designs, assembles and distributes multi-task, multi-user electronic point of sale equipment, primarily to the non-food multiple retail trade, and has agreed to provide it with additional capital.

A venture capital fund together with the British Technology Group have also invested in Microsell.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—BSG International, Clive Discount, Coats Patons, Empire Stores (Bradford), Farsell Electronics, Frank G. Gates, Maurice James Industries, John Mowlem, Office and Electronic Machines, Shires Investment, Swedish Match, Time Products.

Finals—Druck, Highland Electronics, John Mowlem Construction, C. H. Pearce, Photo-Me International, F. W. Thorpe.

FUTURE DATES

Interims—

Bishopsgate Trust	Oct 24
Cook (William) (Sheffield)	Oct 21
Hamilton Oil Great Britain	Oct 25
King and Shaxson	Nov 8
Kwik-Fit (Tyres & Exhausts)	Oct 25
Metal Box	Nov 22

Finals—

Brooke Bond	Oct 18
Cramphorn	Oct 31
Grosvenor	Oct 18
Stewart and Wight	Oct 21
Walker and Homer	Oct 21
Wolseley-Hughes	Nov 2

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-ponding div.	Total for year	Total last year
Armour Trust	0.17†	—	0.15	0.17	0.15
Ash & Lacy ......int.	8	Nov 12	8	—	18
Bejam	1.75	Nov 21	1.5	3.25	2.75
R. Carwright ......int.	1.5	Nov 24	1.25	—	4.63
Cass Group ......int.	1.25‡	Nov 15	—	—	2.5
CPU ......int.	0.35‡	Nov 30	—	—	—
First Castle Elecs ...int.	0.77†	Nov 28	0.7	—	1.75
Fogarty ......int.	1.6	Nov 11	1.6	—	4.02
Greenbank Indl ......int.	0.8	Nov 18	0.8	—	2.1
T. C. Harrison ......int.	0.62	Dec 30	0.01*	—	2.2*
Helene of London ...int.	0.37†	Feb 29	0.37	—	1.48
Pochin's	11	—	8.13	11.88	9
Scottish Metropolitan	2	Jan 10	1.82*	3.5	3.18*
Spirax-Sarco ......int.	1.7†	Dec 2	1.7	—	5
Steel Bros ......int.	4	Dec 15	3.5	—	11.5
United Parcels ......int.	0.8†	Jan 0	0.7*	—	2.55*

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock.

Public Works Loan Board rates

Effective October 12

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid A‡	Non-quota loans A* repaid at maturity§
Up to 3	10⅞	10¾	10⅞	11⅜	11⅜	11⅜
Over 3, up to 4	10⅞	10⅞	11	11⅜	11⅜	11½
Over 4, up to 5	10⅞	10⅞	11⅛	11⅜	11⅜	11⅝
Over 5, up to 6	11	11	11¼	11½	11½	11⅝
Over 6, up to 7	11	11⅛	11⅜	11⅝	11⅝	11¾
Over 7, up to 8	11⅛	11⅛	11⅜	11⅝	11⅝	11¾
Over 8, up to 9	11⅛	11¼	11⅜	11⅝	11⅝	11¾
Over 9, up to 10	11⅛	11¼	11⅜	11⅝	11⅝	11¾
Over 10, up to 15	11⅛	11⅛	10⅞	11⅝	11⅝	11⅝
Over 15, up to 25	11	10⅞	10⅞	11½	11½	11⅜
Over 25	10⅞	10⅞	10⅞	11⅜	11⅜	11⅜

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

Yearling bonds total £22.65m

A total of £22.65m of local authority 9⅞ per cent yearling bonds have been issued this week, due October 17 1984, at par.

The issues are: Bath (City of) District Council (£½m), Derby City Council (£1m), Alnwick District Council (£½m), East Hampshire District Council (£½m), St Helens Metropolitan Borough Council (£½m), Wokingham District Council (£½m), Pendle (Borough of) (£½m), Bury Metropolitan Borough Council (£1m), Kerrier District Council (£½m), Lothian Regional Council (£1m), Malvern Hills District Council (£½m), South Buckinghamshire District Council (£½m), Wansbeck District Council (£0.3m), Bassetlaw District Council (£½m), Birmingham District Council (£1½m), Chesterfield (Borough of) (£½m), Lambeth (London Borough of) (£1m), Manchester (City of) (£1½m), Stirling District Council (£½m), Barking and Dagenham (London Borough of) (£1½m), Congleton Borough Council (£0.35m), Dudley Metropolitan Borough Council (£1m), Epping Forest District Council (£½m), Lewisham (London Borough of) (£2½m), Cambridge City Council (£½m), Newbury District Council (£½m), Newcastle-upon-Tyne (City of) (£1m), Portsmouth (City of) (£2m).

The Renfrew District Council has raised £1m of 10⅛ per cent bonds at par dated October 9 1985.

Pochin's progress

Pre-tax profits of Pochin's, the builder and civil engineering contractor, recovered by £267,000 during the year to March 31 1983, but at £539,000 they were still well short of the £869,000 reported from 1981-82.

Turnover totalled £17.15m (£16.19m).

Earnings emerged at 49.14p (23.91p) per 25p share and a final dividend of 11p lifts the net total to 11.875p (9p).

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MINING NEWS

Ashton Mining raises funds for Argyle

BY KENNETH MARSTON, MINING EDITOR

FULL FINANCING is now "in plece" for the A$470m (£285m) Argyle diamond venture in Western Australia with the news that Ashton Mining has now fully arranged its share of the funds needed via a completed share placing and a proposed rights issue.

Ashton Mining, which has a 38.2 per cent stake in the big diamond venture, has already arranged loan facilities equivalent to about A$190m with Chase Manhattan Bank. Ashton is now raising a further A$70m to meet its total share of the funding required and to allow for a margin of cost over-runs.

Of this, some A$14m has been raised by the placement, announced yesterday, of 10.8m Ashton shares at a price of A$1.30 each with Australian institutions. The market price in Sydney was around A$1.72.

The balance of A$56m is to be provided by a rights issue of four new shares at a price of A$1 (61p) for every 10 held on November 3, including those forming part of the Australian placement.

This renounceable issue is being underwritten by Potter Partners of Melbourne. Offer documents are to be posted on November 10 and the issue price will be payable in two equal instalments on December 1 1983 and May 25 1984.

Major shareholders in Ashton Mining are Malaysia Mining Corporation with 50.1 per cent and Tanks Consolidated Investments with 9.5 per cent. In order to ease Ashton's path towards an eventualy Australian controlling ownership, these two non-Australian companies are not participating in the share placing.

However, they do intend to take up their entitlements in the rights issue. They will wind up with a combined holding of some 55 per cent of Ashton compared with 59.6 per cent prior to the share placing. MMC's stake will thus fall to 46.3 per cent from 50.1 per cent and that of Tanks to 8.7 per cent from 9.5 per cent. Charter Consolidated holds 13.83 per cent of MMC.

Ashton's total funding needs are some A$20m more than was expected owing to the Western Australian Government's requirement for a total A$50m advance payment of royalties by the Argyle venture.

Minorco looks for profit improvement

EARNINGS OF Minerals and Resources Corporation (Minorco) for the year to next June are expected to show an improvement over those for the past 12 months, according to Mr Julian Ogilvie Thompson, chairman.

The company, the international investment arm of South Africa's Anglo American Corporation/De Beers Consolidation Mines group, rallied strongly during the second half of the year just past to turn in full-year attributable profits of US$72.9m (£48.6m).

Mr Ogilvie Thompson is expecting an improved performance from Minorco's investments and some degree of advance by tha group's own operations, although be warns that it is too early to look for a material increase in dividend income.

The time-lag involved in Minorco's use of the equity method of accounting for its share of the undistributed income of its investments means that the group's figures for the current financial year will reflect the performance of its investments over the calendar year 1983.

Minorco's net asset value on September 20, the date of Mr Ogilvie Thompson's statement, stood at $14.36 (957p), which compares with yesterday's London closing price of 65½p.

UK COMPANY NEWS

CPU Computers exceeds forecast with £1.43m

BETTER that forecast pre-tax profits have been shown by CPU Computers for the year to the end of June 1983. Against a prospectus forecast of £1.35m the taxable surplus rose 56 per cent from £912,000 to £1.43m on turnover doubled from £9.6m to £19.2m. The directors of this company, which was floated on the USM last June, say this is the tenth successive year of growth.

As predicted at the time of flotation, a single net dividend of 0.35p is recommended. Earnings per 5p share rose from 3.3p to 4.4p.

An excellent start has been made to the current year, say the directors of this computer peripheral distributor. Both sales and profits for the first quarter to September 30 are ahead of budget and show significant growth

The group's strategy remains growth oriented, they say, through concentration on well defined sections of the computer industry in which it has proven experience and through acquisitions aimed at consolidating market shares while expanding into new sectors.

The group's two operating divisions, CPU Peripherals and LSI Computers, and its German subsidiary, Synelec, all achieved significant progress during the year, with the main impetus coming from Synelec following its reorganisation since its acquisition in January 1982.

CPU Peripherals remained the mainstay of the group, increasing turnover by 68 per cent from £4.1m to £6.9m and contributing £0.9m to group profits before charging corporate costs.

LSI Computers had another successful year, increasing turnover from £3.2m to £3.5m and contributing £0.4m to group profits. Synelec had an outstanding year, with turnover doubling to £8.8m resulting in a £0.6m contribution.

Synelec was given added impetus by the introduction into the German market of high quality low cost terminals from the Far East, selling at 50 per cent below market prices, and a new Shugart range of "half height" rotating memory products, which enabled Synelec to win back a number of major accounts, including NCR who have recently contracted to purchase $2m of Shugart products.

After tax of £677,000 (£405,000), and minorities, attributable profits emerged ahead from £488,000 to £851,000.

● comment

When Tom Fitzpatrick and David Johns decided that 10 successive years of growth was enough of a foundation for them to bring their company CPU Computers to the market, they did not expect it to languish at 90p a share below a striking price of 130p. Yet that is what happened to this technology stock when it came to the USM in June. It has revived since then to 120p but the market greeted the news of better-than-forecast profits and an excellent start to the current year with a renewed mark down to 113p. It is a diversified components indistribution and computer manufacturing business which indicates promising growth potential. A top priority is to improve the proportion of pre-tax profits to turnover, presently averaging below 10 per cent. If the new Octopus small business computer, launch costs £400,000, is well received, then it should boost LSI's contribution to group profits presently around 18 per cent. Together with the main distribution businesses CPU Peripherals in the UK and Synelec in Germany pre-tax profits of £2.2m are possible which makes the prospective fully taxed p/e of just under 17 seem rather out of line for the sector.

T. C. Harrison's mixed fortunes

PRE-TAX profits of T. C. Harrison, the Sheffield-based Ford main dealer, moved up from £1.46m to £1.51m for the opening half of 1983 with mixed performances being shown by the group's divisions.

For the full year the group is confident that "acceptable results" will be produced despite difficult trading conditions. Meanwhile, the net interim dividend is effectively increased from 0.613p to 0.62p and the directors expect to maintain the total at 2.2p after adjusting for last December's scrip issue.

Turnover for the half-year expanded from £41.32m to £47.16m, excluding car tax, VAT and inter-group sales.

The car division produced profits well in advance of the corresponding period of last year but the commercial vehicle side's contribution was significantly less due to the combined effects of competition for the available new vehicle business, and a reduction in service and parts profit.

Earthmoving showed a satisfactory increase, while the agricultural sector returned slightly lower results.

The group's hire purchase and leasing activities showed a "substantial" increase in profit with the number of leasing contracts up by 20 per cent. The profit contribution from these financial operations currently represents a third of group profits.

August was a record month, both in terms of new units delivered and group profits, even though margins remained inadequate.

The directors say the introduction of the new Ford Orion and the facelifted Fiesta should help the business in the remaining months of the year and compensate to some extent for the situation currently prevailing where over 20 per cent of Harrison's total new car sales are delivered in the month of August.

They expect the car division and hire purchase and leasing to produce profits in excess of last year.

The commercial division will be well down and the short-term outlook for this part of business is "not encouraging."

The earthmoving and agricultural divisions should produce profits comparabel to last year.

Half-year tax was little changed at £786,000, compared with £759,000, to leave net profits £28,000 ahead at £726,000. Pre-tax profits for the 1982 year totalled £3.01m (£2.88m).

Cass rises to £0.47m halfway

FOR THE first half of 1983, Cass Group, a USM company, increased pre-tax profits from £433,000 to £467,000. Turnover was £1m higher at £3.64m, although the major part of this increase arose from the acquisition of the Graphics retail outlets in October 1982.

Earnings per 10p share rose by 0.3p to 4.1p and there is an interim dividend of 1.25p net. Last year the company, which came to the USM in April, paid a single 2.5p. This year's interim costs £27,210—the chairman has agreed to waive payments on his holding to 3.32m shares.

After tax of £243,000 (£226,000) net profits were ahead from £207,000 to £224,000. Comparative results for the period to June 30 1982 comprise those of the company from the date of its incorporation on February 25 1982 and those of its subsidiaries from January 1 1982.

Electronics orders have again shown an increase over the first six months of 1982, although margins have been under pressure.

The electronics side has redefined its policy with reference to the opportunities presented by the liberalised telecommunications market. Negotiations are progressing to extend the product range with British Telecom approved Castel PABX and PAX telephone exchanges which are expected to be launched in January 1984.

Electronics is increasing the existing rental and leasing activities to include telephone exchanges and ancillary equipment. Turnover of electronics continues to perform to budget.

The group's leisure companies have continued the reorganisation of the Graphics retail outlets. The problem of obtaining adequate trading margins is still causing concern.

The arts and crafts shops, while showing an increase in turnover over the comparable period for 1982, have been trading below budget. Current figures indicate an improving trend.

Ash & Lacy increases to £1.54m after six months

AN INCREASE of 8.5 per cent in pre-tax profits to £1.54m is reported by Ash & Lacy for the 26 weeks to July 1 1983, on lower turnover of £13.78m (£14.07m).

The interim dividend is unchanged at 8p net. In 1982 a total of 18p was paid from record pre-tax profits of £3.08m.

Mr Fane Vernon, chairman, says that 1983 is a year of consolidation and continued investment. By the end of the year the group will have completed its investment totalling £2m in two new galvanising facilities in London at Poplar and Blackwall.

The new plants are now coming on stream, but will not achieve full production until next year when their contribution to group profits should become evident, he says.

At the trading level profits moved up from £1.3m to £1.41m. Other income less interest payable came to £123,000 (£113,000). The directors say that full provision for tax would amount to £799,000 (£736,000).

This Smethwick, West Midlands, based group makes perforated metal, steel cladding and galvanisers.

Woodchester reveals London placing details

Woodchester has revealed the final details of its share placing in London. The Irish equipment leasing company will be issuing 909,000 shares, representing 27.7 per cent of its enlarged capital, at a price of 165p each.

The placing will raise £1.38m after expenses which will be used alongside higher borrowings to expand investment in new equipment. The directors expect spending to increase by I£900,000 in the current year.

The new shares will not qualify for the recently announced 2p a share dividend. The directors have already forecast profits of I£480,000 (I£272,000) for the year to March 31 1984 and a total payout of 5p a share.

Helene set for £0.8m

AS ANTICIPATED at the time of the August rights issue fashion and leisure wear group Helene of London returned pre-tax profits little changed at £254,790 for the half year ended June 30 1983, against £253,207.

However, current trading is more buoyant and the group is in line to achieve the £800,000 forecast for the full year—this would compare with £543,390 previously.

First-half earnings amounted to 0.6p (same) per 10p share and as forecast, the net interim dividend is being maintained at 0.37p on the enlarged share capital. A same-again final of 1.11p has already been predicted.

Turnover totalled £5.7m (£5.36m), tax accounted for £125,000 (£116,000) and attributable profits emerged at £128,984 (£105,348)—there were extraordinary debits last time of £31,000.

Aerospace Eng. listing

Aerospace Engineering proposes to seek a full London Stock Exchange listing, says Mr Reginald Mercado, the chairman. As already announced, the company also proposes a one-for-one scrip issue.

It is proposed to raise the authorised capital from £1.5m to £4m ordinary shares.

RESULTS AND ACCOUNTS IN BRIEF

MICROLEASE (provider of electronic equipment on short term rental basis)—Turnover £1.14m (£549,000) for the half year to August 31, 1983. Pre-tax profit £275,000 (£118,000). Earnings per 10p share 8.1p (4p) net and assuming 52 per cent tax 3.9p (1.7p). Chairman sees no reason to assume business will not continue to grow for remainder of year as trading is continuing at record levels. As stated in prospectus no interim dividend will be paid. The company's share are traded on the USM.

WINTERBOTTOM ENERGY TRUST—Net asset value at close of business on October 7 82.6p after deduction of prior charges at par and 84.7p after deduction of prior charges at market value.

ALVA INVESTMENT TRUST—Interim dividend 3.5p (4.8p). Income £200,000 (£141,000) for half year ended August 31, 1983. Expenses £63,000 (£21,000). Pre-tax gross revenue £138,000 (£121,000). NAV per share xd 289.5p (265.9p). Directors say that significant progress has been made in investing funds in unlisted situations. At the end of August approximately 47 per cent of funds had been invested or committed to investment in unlisted securities. As already reported this change will reduce the amount of income available for distribution.

EDINBURGH INVESTMENT TRUST—Total assets £375,447 at September 30, 1983, and net asset per 25p share 118.5p. Figures include the merged funds of the company and those of Scottish Investors. Comparative figures at March 31, 1983, amounted to £219,692 and 109.3p respectively. Gross revenue for the six months to end-June £8.83m (£5.06m): available revenue £3.93m (£2.3m). Interim dividend 1p net (same adjusted). Directors forecast total of not less than 2.5p (2.18p adjusted).

TRANWOOD GROUP (hosiery) — Turnover £2.42m (£2.75m) for six months to July 7. Pre-tax loss £7,000 (£8,000 profit). Tax nil (same). Minorities credit £3,000 (debit £14,000). Extraordinary credit £3,000 (£8,000), being profits on redemptions of Bensen's Hosiery (Holdings) loan stock. Loss per share 0.05p (0.09p). Results of Tranwood Group principally relate to the trading activities of Bensons Hosiery (Holdings), of which the company owns 60.95 per cent.

DOWNIEBRAE HOLDINGS (metal merchants)—Pre-tax loss for half year to June 30, 1983 £7,000 (profit £53,000): turnover £1.84m (£1.9m): interest charges £39,000 (£57,000). No interim dividend is again being paid. Directors say that, as in 1982, the improvement in trade experienced in the early months has not been maintained. Weak demand continues in the engineering industry, and with prospects remaining uncertain, active measures are being taken to rationalise further the group's activities with a view to returning to profits in 1984.

SANDERSON MURRAY AND ELDER (HOLDINGS) (woolcombing, processing of man-made fibres)—Dividend 2p (same) net for year to June 30, 1983. Turnover £4.77m (£5.12m) and pre-tax profits £19,759 (£27,428). Tax charge £16,658 (£417 credit) minority debits £867 (same): extraordinary debits £40,000 (£22,128): dividend £38,000 (same) leaving deficit £75,788 (£33,162). Earnings per 50p share 0.7 (1.4p). Current coal losses, before tax, £50,913 (£121,666).

ENGLISH PROPERTY CORPORATION (ultimate holding company is Olympia and York Developments of Canada)—Group net profit for year ended June 30 1983, was £3.7m (£3.4m), after tax £1.9m (£0.5m). Earnings 3.5p (3.4p). Interim dividend 7.57p (nil) paid in March.

FISHERMAN'S PETROLEUM COMPANY—Pre-tax deficit for half-year to June 30, 1983, £1,871. There was a tax credit of £588. The board says that although company's financial resources are adequate to meet anticipated expenditure for the remainder of the year, it has decided not to recommend an interim dividend.

ANTOFAGASTA HOLDINGS (rail-freight transporter water distribution operator)—Interim dividend 3p; payable November 18; payment of final will depend on year's results and receipt of profit remittances from Chile. For half year ended June 30 1983 turnover £6.2m and operating profit £1.76m. Investment income and interest received £227,000, other income £93,000. Interest payable £402,000, leaving profit £1.68m before tax £795,000. Exchange and inflation debit £141,000. Earnings 13p.

BIDS AND DEALS

Moorside deal to raise £20m for Guinness Peat

BY RAY MAUGHAN

Guinness Peat, the insurance broking and merchant banking group, is undertaking the last stage of its reconstruction with another funding exercise which, following the £19.3m rights issue last March, will raise £19.6m through the acquisition of Moorside Trust from the Rivermoor Management Services stable.

The deal has already been agreed with Rivermoor and Guinness Peat has received irrevocable acceptances in respect of over 50 per cent of Moorside's equity.

The offer comes in two forms. Shareholders accepting Guinness Peat's equity offer will receive shares valued at 110 per cent of Moorside's asset value, currently standing at 101p per Moorside share, or cash amounting to 100 per cent of the net asset valne of the trust.

The buyer will realise the trust's portfolio once the offers have become uncondition. Full acceptance of the equity terms would result in the issue of 46.6m new Guinness ordinary shares while 40m Guinness shares would be issued on full acceptance of the cash offer.

The cash alternative will be underwritten by merchant banker Morgan Grenfell to the extent that the net asset value of Moorside exceeds 86.7p per share. Thus, for each ordinary 25p Moorside share, holders will receive 2.1675 Guinness Peat shares which will be purchased at 40p per share by Morgan Grenfell. In addition, Guinness will provide from its own resources any premium on Moorside's net worth over 86.7p per share. The cash element provided by Guinness Peat, assuming Moorside's net tangible assets are valued at £19.6m, would amount to £2.6m.

Assuming full acceptance of the bid, the Moorside acquisition wold mean the issue of at least £16m of new Guinness Peat share capital and the addition of a similar sum to group resources. The deal is thus seen as a "decisive step" in the restructuring of Guinness Peat's balance sheet.

The group calculates that net worth will increase to at least £59m and net debt will be about £16m at most. Guinness Peat, chaired by Lord Croham and run by chief executive Mr Alastair Morton since January 1982, intends thereafter to refinance the major part of bank overdraft on a medium-term basis.

Guinness Peat, after a difficult period of reconstruction and debt reduction, would then be in a position to "develop both its newer and more mature businesses and to enter complementary operations either directly or by acquisition." Joint ventures are also under consideration and opportunities are being sought to use its $18m of U.S. tax losses carried forward.

The group, which is based principally on its Guinness Mahon merchant bank arm and its Fenchurch insurance broking business, currently has net worth of some £43m to support bank debt below £32m.

The reconstruction and the sale of such operations as the Aval trade financing subsidiary, a substantial London property, and the subscription for a 22.7 per cent stake in the aviation side by General Electric Credit Corporation of the U.S., have combined to cut indebtedness by aboot £100m since February last year.

See Lex

Booker McConnell £9m buyout

Booker McConnell, agriculture and food distribution group, has sold its pump-making subsidiary SPP Group of Reading to the SPP management for £9.3m.

Mr Bob Moore, managing director of SPP, led a five-man management team which will own 36 per cent of the equity. Financial backing for the deal was arranged by Guidehouse, the merchant bank.

SPP specialises in fluid handling technology and is a supplier of centrifugal pumps to the North Sea oil and fire fighting industries. It made a profit of £1.6m before tax and interest in 1982 on turnover of £25m.

SPP has beeo moving away from simply supplying pumps to the provision of complete systems and processes.

Mr Moore, aged 56, is an Australian-born civil engineer who joined SPP as managing director in February 1981 from Mather and Platt, the engineering group, where he was chairman and managing director.

SPP employs 740 people at e number of subsidiary companies, the largest of which is Sigmund Pulsometer Pumps, accounting for 40 per cent of the business. Other companies include Godiva Fire Pumps of Warwick, Europump Services of Yate near Bristol and Robot Pompen of Alphen in The Netherlands.

The purchase price comprises a £7.1m payment for the shares — equal to SPP's net asset value at December 31 1982 — and the transfer of £2.2m worth of net borrowings.

Equity Capital for Industry, representing 350 City institutions, and Pegasus Holdings, the venture capital arm of Lloyde Bank, will each provide £690,000, while Friends Provident Life Office will subscribe £500,000.

Booker McConnell made £4.85m of pre-tax profit on turnover of £443m in the six months ended June 30 1983. It has been cutting back its engineering activities and sold Fletcher Sutcliffe Wild, a mining equipment offshoot, to Dobson Park Industries for an unconfirmed £10m in March.

Evered claims 37.5% of Hawkins

Evered, the Midlands-based group specialising in non-ferrous strip for the electronics and communications industries, yesterday revealed that it controlled 37.5 per cent of the shares in Hawkins and Tipson, the loss-making Sussex ropemaker.

The fresh purchases follow an announcement at the weekend that it is raising its offer for the company from 35p to 44p a share. The improved bid values the company at about £3.8m.

Evered yesterday sent to Hawkins and Tipson shareholders a document detailing its new offer. In it, Evered pointed out that the offer price represents the highest price at which shareholders could have sold their shares since 1979.

It claimed that the present management have presided over a 40 per cent fall in shareholders' funds since August 1979, and that the board is estimating retained losses "for the fifth year in succession."

It also said that the new offer will not be raised, and will close on October 26. It warned that Hawkins and Tipson's share price "will plummet" if the bid lapses.

Gartmore dismissed by Anglo Scottish

By Clive Wolman

Gartmore Investment Management has been dismissed as the managers of the Anglo-Scottish Investment Trust. But for the second time in three weeks, an investment trust's shareholders have not been asked to approve such a decision by their directors.

Anglo-Scottish has awarded its management contract to C S Investments, a company set up by the two former joint managing directors of Gartmore who resigned when Exco International took a controlling stake in August.

One of the two founders of CS Investments is Mr Eric Crawford, chairman of the board of Anglo-Scottish.

Three weeks ago, Group Investors, where one director is Mr Sam Stevenson, tha other founder of CS Investments, also transferred its management contract from Gartmore to CS Investments. The announcement was made to shareholders, only after the company's annual meeting had been closed.

In response to the complaints of institutional shareholders, in particular the Save and Prosper management group, Anglo-Scottish intends to ask its shareholders to confirm the appointment of CS Investments at its annual meeting. But whereas the appointments will take effect on November 24, the annual meeting will be held in mid-December.

Shareholders will not be asked to approve the dismissal of Gartmore.

Mr Crawford said last night that if the annual meeting failed to confirm the appointment, other proposals would be advanced. He said that the management contract with C.S. Investments could, if necessary, be broken without penalities.

"We consulted our major shareholders over this decision," said Mr Crawford, "and they accepted that the board has a job to do." He added that they had insisted that the annual meeting be consulted over the appointment of C.S. Investments.

One other ex-Gartmore fund manager, Mr Mark Davies, has now joined C.S. Investments and another one or two are expected to follow. Mr Crawford said that further fund managers would be recruited from elsewhere and that the company expected to receive other major management contracts shortly, although possibly not from investment trusts.

Fitch Lovell

Fitch Lovell, the food wholesaler and manufacturer, has completed its withdrawal from the agricultural sector with the sale of its fish farming business to Norsk Hydro, the Norwegian industrial and energy group, for £1.7m cash.

Norsk, which already has salmon farming operations in Norway, has acquired Golden Sea Produce and Scottish Sea Farms, which have net assets of about £1.5m.

These two companies, which employ 50 people, operate five fish farms on the west coast of Scotland rearing Atlantic salmon, and Scotland's only shellfish hatchery producing seed oysters. They prodnce about 350 tonnes of salmon and bave recently started breeding fin fish such as turbot.

Mr Geoffrey Hankins, chairman and chief executive of Fitch said: "We were involved in fish farming for 10 years, but we are not big enough to absorb the costs involved. It has cost us £2.4m np to and including this year. That is significant for a company of our size."

Salmon breeding had reached a commercial size despite a setback three years ago when the fish were affected by an algae, but the development of fin fish stocks was beginning to absorb more money.

Earlier disposals of agricultural interests by Fitch include the sale of Pilwood Feeds, an animal feed and malt producer to Pauls and Whites for £1.2m in February, and of its poultry division to Favor Parker for £2.5m in May.

It also recently sold its Key Markets retailing arm to Linfood for £44.8m and its West Gunner butchers shops to Union International for £4.05m.

Norsk has been engaged in salmon farming for 15 years through a 59 per cent holding in A/S Mowi. Norsk will retain the Scottish workforce and plans to expand activities there and elsewhere in Europe.

London Brick buys two BET subsidiaries

London Brick Landfill is to buy two waste disposal operations at Helpston, Cambridgeshire and Thetford, Norfolk from Biffa, a British Electric Traction subsidiary, for £894,000.

At Helpston, Biffa provides dry and liquid waste collection and disposal services to industry and the local authority. This acquisition will allow London Brick to expand its business in the Peterborough area.

At Thetford a Biffa company called Clear Waste collects and disposes of treated sewage sludge for the regional water authority and cooverts it into fertilizers. It also provides conventional waste disposal in a trading area new to London Brick.

The sale becomes effective on October 24. Biffa last year bought the Hoveringham Waste Control business from Tarmac. Disposal of these two sites, which were not part of Hoveringham, will allow Biffa to concentrate its resources, it said.

Clyde in deals to fund Wytch stake

BY DAVID DODWELL

Clyde Petroleum, the USM-quoted oil company, yesterday revealed details of deals with Thomson North Sea and Bowater intended to reduce its exposure to development costs in the North Sea, and to provide it with funds needed as a member of the consortium bidding for a 50 per cent stake in the Wytch Farm onshore oilfield in Dorset.

First, Clyde has bought from Bowater its 91 per cent interest in Hautpas, a subsidiary which has a 5 per cent stake in Block 16/21a in the North Sea—containing major parts of the Balmoral Field and the Glamis structure. It already owns the other 9 per cent in Hautpas, and will be paying Bowater £4.5m in cash and just over 4m shares. With Clyde's shares currently standing at 120p, this amounts to a total deal worth £9.3m.

Then Clyde is selling to Thomson North Sea the whole of Hautpas, along with a 3 per cent stake in Block 16/21a held through a subsidiary, Clyde Petroleum (Minerals). Thomson is paying £7.52m in cash—giving Clyde a cash surplus on the transactions of just over £3m.

Thomson has at the same time agreed to pay Clyde's 10 per cent share of future exploration and development costs in Block 16/21a arising out of the 10 per cent stake in the field directly owned by Clyde. This stake is being retained by Clyde.

The Balmoral Field is believed to contain recoverable reserves of about 70m barrels of oil. Development costs are expected to amount to about $700m, and first production is scheduled for 1987. Sun Oil, the operator of the field, is expected to make a formal development application any day.

The cash raised through the deals, coupled with about £3m arising from the sale of shares in Saxon Oil—for which Clyde made an unsuccessful bid in May—is expected to provide the company with the funds needed as part of the Dorset bidding group negotiating to acquire the Gas Council's 50 per cent stake in the Wytch Farm onshore oilfield.

The five members of this group are Tricentrol, Carless, Goal, Premier, and Clyde. Clyde has a 15 per cent stake in the bidding group.

Mr Paul Zatz, a Clyde director, yesterday described Balmoral as a "marginal field" from Clyde's point of view: "We prefer to spread our risks, and to escape the heavy development costs in the field."

For its part, Thomson is keen to broaden its North Sea interests beyond Claymore and Piper, where it has been present since the early 1970s.

Mr Joe Darby, managing director of Thomson North Sea, said that the company was "keen to participate in someone else's development," in part because this would provide the company with some corporation tax shelter which it cannot get from Claymore or Piper.

"Clyde's holding in Balmoral filled a valuable gap," he said. "We will be keeping an eye open for other opportunities."

Earlier this year Thomson made a proposal to Elf for a stake in the Alwyn North Field, but this was unsuccessful.

Clyde Petroleum is now one of the biggest companies on the USM, and is understood to be seeking a full Stock Exchange listing, perhaps next month. It recently revealed profits before tax of £1.68m in the first six months of this year, compared with losses of £1.1m. Turnover grew to £15.88m (£12.65m).

Requote for VW and £5.75m deal

BY RAY MAUGHAN

VW, the sheet metal fabricator, precision engineer and tool maker, is returning to the Unlisted Securities Market next month following a three-month suspension at 70p per share.

The company is making a tender offer of 4.75m shares at a minimum price of 100p per share. The offer will be coupled with the acquisition of Thermax, a specialised glass component manufacturer, for £5.75m.

The group first came to the USM in November 1981 when 1.17m shares, or 21.2 per cent of the enlarged capital, were priced at 62p per share. The trading environment subsequently has been extraordinarily difficult and last year VW reported its first-ever trading loss in its 64-year history.

VW, headed by Mr Roy Stephens and advised by Singer & Friedlander, has apparently enjoyed a substantial ordering uplift since the summer—when the share quote was frozen—and the board says it has been possible to fix a minimum tender price of 100p for the shares now being offered for sale.

The group has agreed with Thermax's parent, Interglass, to buy the business for £5.75m and, depending on the result of the tender offer, will allot to Interglass a sufficient quantity of shares to satisfy the consideration, struck earlier this week. Purchasers will be found for sufficient of these shares to realise £3.75m.

For its part, Interglass will receive £3.265m in cash and shares valued at £2m after making a contribution to tha expenses of the offer and covering Thermax's existing debts of £345,000.

Singer & Friedlander is underwriting the offer at 2 per cent below the eventual striking price and will sponsor an offer to raise £1m of new capital for VW, of which some £330,000 is required to be applied towards the expenses of the offer and the balance to provide additional working capital.

The deal requires the consent of shareholders at an extraordinary meeting in November which, if given, means that the prospectus will be published in full on November 7.

Ldn. & Continental

London and Continental Advertising has acquired the outdoor advertising business of Newey Signs for £232,000 cash. The business, based in the West Country and Wales will strengthen the group's existing portfolio of poster sites in that area which are marketed under the Summit name. It is anticipated that this business will contribute approximately £60,000 to group profits in a full year.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1978=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1982							
4th qtr.	98.3	92.9	92	110.7	184.5	2,913	116
1983							
1st qtr.	99.5	94.5	85	111.1	133.1	3,003	124
2nd qtr.	99.6	94.2	88	113.6	156.7	2,967	135
3rd qtr.						2,950	160
February	100.1	94.2	95	111.1	148.9	3,001	124
March	99.0	93.6	80	111.9	135.1	3,028	136
April	99.7	94.3	94	112.9	157.8	3,021	134
May	100.4	94.7	87	113.7	159.1	2,970	131
June	98.6	93.7	85	114.0	159.1	2,988	139
July	100.7	95.4		113.9	166.8	2,957	153
August				112.8	162.8	2,941	162
September						2,953	164

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1982							
3rd qtr.	93.8	91.0	104.7	92.1	102.9	87.5	17.1
4th qtr.	94.1	90.6	103.7	91.6	93.6	87.0	15.1
1983							
1st qtr.	95.5	92.4	104.8	93.4	100.8	87.5	18.1
2nd qtr.	95.3	91.0	105.7	92.8	105.7	87.0	18.6
January	97.0	93.0	104.0	94.0	103.0	88.0	15.6
February	95.0	93.0	106.0	94.0	100.0	87.0	18.2
March	95.0	91.0	105.0	92.0	100.0	88.0	20.1
April	95.0	91.0	106.0	93.0	108.0	87.0	17.3
May	96.0	92.0	107.0	93.0	105.0	87.0	15.6
June	95.0	90.0	105.0	92.9	104.0	87.0	22.9
July	97.0	92.0	107.0	94.0	111.0	89.0	17.4
August						-	16.2

EXTERNAL TRADE—Indices of export and import volume (1980=100); visible balaoce; current balance (£m); oil balance (£m); terms of trade (1980=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1982							
4th qtr.	104.6	99.3	+1,215	+2,420	+1,736	98.7	17.0
1983							
1st qtr.	103.5	106.6	−194	+779	+1,764	97.8	17.34
2nd qtr.	101.2	107.7	−654	−313	+1,490	98.0	17.71
3rd qtr.							17.90
February	104.1	107.5	−121	+204	−613	97.5	16.58
March	110.9	103.3	+397	+721	+622	97.1	17.34
April	98.6	106.6	−310	−196	+485	97.4	17.66
May	98.7	110.2	−506	−393	+420	97.7	17.92
June	106.2	106.5	+162	+276	+585	99.1	17.71
July	97.0	108.1	−350	−190	+440	99.0	17.94
August	100.4	108.6	−138	+ 22	+569	99.8	18.01
September							17.90

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	Base rate %
1982							
4th qtr.	17.2	12.2	26.9	+4,293	2,139	2,473	10.13
1983							
1st qtr.	9.5	8.1	10.6	+4,456	1,174	2,489	10.50
2nd qtr.	15.3	14.6	15.0	+5,055	1,071	2,498	9.50
3rd qtr.							9.50
February	10.6	7.6	13.1	−1,309	386	792	11.00
March	10.7	10.0	11.9	+2,048	397	850	10.50
April	12.1	13.7	13.6	+2,010	482	788	10.00
May	15.6	13.5	12.8	+1,089	319	847	10.00
June	18.1	16.5	18.5	+1,956	319	868	9.50
July	14.0	12.5	21.5	+ 778	739	782	9.50
August	11.5	10.8	22.5	+ 667	525	930	9.50
September							9.50

INFLATION—Indices of earnings (Jan 1975=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1982							
4th qtr.	231.3	119.4	120.1	325.4	298.5	238.34	89.1
1983							
1st qtr.	235.9	124.6	121.8	327.0	302.1	277.29	80.5
2nd qtr.	240.8	123.6	124.2	333.7	306.3	272.89	84.3
3rd qtr.		124.7	125.1			288.14	84.9
February	231.1	125.4	121.7	327.3	302.1	256.25	80.7
March	238.2	124.3	122.4	327.9	302.4	277.39	78.1
April	237.7	123.1	123.8	332.5	304.6	274.56	82.5
May	241.1	123.8	124.3	333.9	305.6	267.01	84.9
June	243.8	124.0	124.6	334.7	308.8	272.89	85.3
July	247.6	123.2	124.7	336.5	308.7	282.26	84.5
August		124.6	124.9	338.0	309.4	283.02	85.1
September		126.4	125.6			286.14	84.8

* Not seasonally adjusted.

TECHNOLOGY

EDITED BY ALAN CANE

GASIFICATION PROVES ATTRACTIVE AS FUEL COSTS RISE, WHILE FLUID BED COMBUSTION SHOWS NOVEL USES

How gasification can fuel a siege economy

ALMOST a decade has passed since oil prices quadrupled arousing fears of a general economic colapse and ideas for a host of substitute energy sources. Tha incentive for alternative energy sources was compounded by the furthar oil price rises of 1979-80, by which time it had become clear that developing countries had been hit hardest by higher energy costs. Yet few practical alternatives to oil have emerged.

One alternative demonstrated recently in London's dockland was a British designed and manufactured gasifier. Using as fuel 80 per cent of wood charcoal and 20 per cent of diesel fual, tha gasifier, manufactured by Specialist Engines, of Helston, Cornwall, was heating a whole array of domestic electric heaters—far less than its 10 KVA rating's capacity.

Gasifiers have been around a long time and were widely used during the Second World War by belligerents and neutrals, chiefly for road vehicles. Rising fuel costs has made the technology attractive again, especially in developing countries with abundant supplies of wood, or even coconut shells. They supply only a limited amount of energy and are therefore most suited to rural electricity generation, irrigation pumping, agricultural and forestry processing and vehicle propulsion.

Not surprisingly, the Third World is ahead of the industrialised nations in this technology. The two countries which hava taken the lead are Brazil and tha Philippines, although many other nations are experimenting with gasifiers, and the World Bank partly funded a new study entitled "Gasifiers: Fuel for seige economies" underlining its serious nature.

Gasification is an essentially simple process. Wood, charcoal and other dry organic materials are fed into an upright container and a controlled quantity of air is drawn into the lower part of the unit allowing some of the fuel to burn. But the air intake is restricted, releasing just enough heat to chemically break down and gassify the adjacent fuel.

The reaction in the "reduction zone" produces combustible carbon monoxide gas together with hydrogen and small amounts of methane. This gas, called producer gas, has a heating value equivalent to about 10 to 15 per cent of natural gas.

The rest of the gasification process consists basically in cooling the producer gas (to increase concentration) and cleaning it to prevent it fouling the engine in which it is combusted. The latter process may be omitted if a direct-heat gasifier is designed to heat a boiler or kiln, like those in Sao Paulo State in Brazil, where logs are used as the fuel.

The latest study published by the international Institute for the Environment and Development indicates that gasifiers could economically replace soma diesel engines or oil-fired boilers in remote areas not linked to an electricity grid, in rural sawmills and irrigation projects. It also suggests that fuels other than wood could be used, including coconut shells, peanut shells, maize cobs and sawdust.

On the crucial point of economic viability, the study is realistic and hence cautious. It notes that savings could be made by switching from expensive liquid fuels to cheaper biomass fuels, but warns that, "These savings must be weighed against the capital cost of the gasifier, and tha increased operating and maintenance costs."

However, the study warns that gasifiers could be a positive nuisance in areas of fuelwood scarcity, where their use might drive up wood prices leading even to deforestation and hardship for poor rural families.

The study comes down on the side of gasifiers, provided certain conditions are satisfied, by making the comparisons shown in the table.

At the end of the day, tha economic justification for gasifiers is their continued use and increased application in Brazil and the Philippines. In 1981, the Philippines set up the Gasifier Equipment Manufacturing Corporation (GEMCOR) and began commercial production of a range of different models, some of them using duel-fuels. In Brazil, gasifiers hava been developed by private enterprise, with at least 10 companies active in the field. A key role is played by Florestal Acesita, a subsidiary of the country's biggest steel concern.

For industrialised countries, the challenge is to perfect the technical performance and sell gasifiers, together with gasifier expertise, to customers most of whom will be located overseas and living under very different climatic and economic constraints. Specialist Engines, which mounted the demonstration operated in such an environment. It was launched only three years ago by Mr Phil Harris, who has also carefully designed the gasifier and sited his venture off the beaten track in Cornwall.

Small refinements are incorporated that have been disregarded by Third World manufacturers, such as corrosion-proofing by the use of stainless steel in parts and galvanised coatings elsewhere. Mr Harris said he was negotiating sales to the Indian sub-continent, Africa and America.

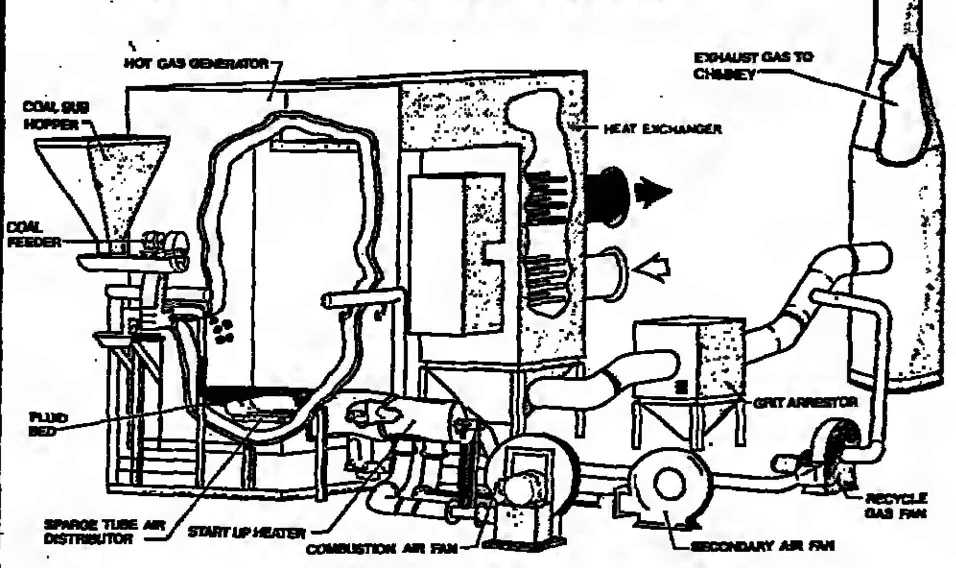
Lika so many other substitute fuels, gasifiers cannot hope to provide a more efficient replacement for petroleum. But unlike the others, they have been tested and found to be working reasonably well.

WILLIAM SHOLTO

TYPICAL COSTS: GASIFICATION VERSUS DIESEL (in U.S. cents/kWh)

	Conventional diesel engine	Diesel engine fitted with gasifier
Capital cost	3.4	4.3
Maintenance and running costs	1.6	4.5
Fuel cost: diesel	16.0	3.2
wood	—	2.8
Total cost of power	21.0	14.8

Typical Hot Gas Generator Installation



TWO YEARS ago, Energy Equipment was a small British company with expertise in fluid bed technology and striving for success in an extremely difficult toarket. Now it is part of Petrofina, the Belgian-based oil multinational. Its new parent is investing about £1m a year so that Energy Equipment can take its ideas to commercial fruition.

At Energy Equipment's small research centre at Olney outside Milton Keynes it is building an experimental synthetic gas—syngas—generator which should be operating next year.

Syngas is the feedstock for many processes in the chemical industry. Energy Equipment believes that it can adapt its present fluid bed technology to suit syngas production. The plant will cost about £2.5m to produce.

In a report by the National Coal Board, published in September, called Gas From Coal, the NCB said that there was no technology for coal gasification which was applicable to the NCB's needs. Dr Andrew Edwards, managing director of Energy Equipment, begs to differ. He says that the design of its boiler system developed is suitable for UK coal gasification systems.

Airborne

The basic of fluid bed technology is to pass air through a bed of granulated material at such a speed that each particle becomes airborne. In this condition, the bed of particles behaves like a liquid. In Energy Equipment's case, the fuel is projected onto a bed of sand made up of 2 mm diameter particles. The size of the added combustion material is not critical. Tha fuel becomes engulfed in the fluidised bed and is completely dispersed.

Energy Equipment says that its simple design can cater for a wide variety of fuels from peat and coal to wood. At present there are more than 52 fluid bed systems operating in the UK and Energy Equipment bas about 20 installations.

Applications of the fluid bed include a hot gas generator for British Sugar Corporation to dry beet, another for crop drying using waste wallpaper, straw and other waste as fuel. In South Africa, the company has supplied a gas making plant to fire gas for a billet re-heat furnace, firing coal.

The company is also introducing new types of boilers systems so to suit smaller and larger applications. Before the end of the month it will launch a small system costing from £30,000 to £100,000.

ELAINE WILLIAMS

Biotechnology

Shocks for plant cells

EQUIPMENT TO fuse cells for biotechnology routines such as plant genetics, the production of monoclonal antibodies or yeast transformations has been announced by the GCA/Precision Scientific Group in America.

Its Zimmerman Cell Fusion system is used to orientata cells and to end in a low level electrical field, and then to open tiny pores in the cell membranes by the application of a short direct current pulse. This results in the mixing and ultimate fusion of each cells contents with its neighbours.

This $14,000 biotechnology technology instrument was based on the work of the leading West German researcher, and is now a bench top unit which the relatively inexperienced can also use thanks to computer control. Telephone: 0101 617 275 9000.

REPORT CONFIRMS IBM'S LEAD IN EUROPE

IBM 'will recover market share'

BY PAUL WALTON

IBM, LIKE Caesar "bestrides the narrow world like a collossus" and is winning most of its battles in the European compnter marketplace.

The Shakesperian reference introduces a new Frost and Sullivan report describing how IBM sets the tone in Europe, where it seems set to remain the leading supplier of almost everything in data processing from the large mainframe computers to the personal computer which it has just begun to sell.

IBM ducked the recession which finally hit the frantic growth rates of its competitors—especially of the plug compatible suppliers of equipment or machines which might directly replace its own. Frost and Sullivan says that in all respects, IBM is now in an enviable position, being "expected steadily to recover market share." With over two-thirds of the worldwide market for computers, the giant is also beginning to make a splash in new oceans.

"The company in early 1983 holds almost unprecedentedly powerful market and product positions, offering relatively short delivery positions and a new—albeit complex and costly, but apparently very efficient—processor architecture," Frost and Sullivan conclude when looking at IBM's share of big mainframe computers.

The IBM 308X architecture, at the heart of its big mainframes, supports a market which will be worth $13bn from the shipment of almost 5,000 big mainframe computers between 1983 and 1987, in which traditional plug compatible and the more recent Japanese suppliers will find increasingly difficult to get a share. Replacing IBM mainframes is becoming more difficult, as the old plug compatible formula of 20 per cent more power for 10 per cent less cost is increasingly met by tha supplier itself.

IBM is outpacing every big mainframe supplier in both the supply of the corporate computer, and of the mid-range general business computers where Frost and Sullivan said that "IBM has almost completa dominance." The IBM 43XX architecture, the design of medium-sized machines, supports a market which will be worth $4.5bn from the shipment of around 16,500 machines by 1988.

IBM is sill fighting to get more than a fifth of the next tier of computing, the distributed processing market for compnters which sit in the office or factory and support many local terminals. Frost and Sullivan report that the company will begin to "claw back" business selling minicomputers such as the 8100, which failed to succeed in making much headway with large IBM users.

Frost and Sullivan go on to describe the ways in which IBM computer users continue to expand their computing capabilities, and how the company reorganised in the late seventies and invested $10bn in improving its own productivity in order to be in a better position to respond.

There are very few gaps in tha company's range, with perhaps the exception of some peripherals such as all-important rapid retrieval storage magnetic disks — of which there was a famine during 1981-82. Plug compatible suppliers will continue to do the IBM computer user a service by offering cheaper, or slightly more advanced terminals or magnetic storage, but Frost and Sullivan holds out little hope that they will be able to replace many of the central processors.

IBM has only recently dropped into the small business and personal computer markets, but here where price is often the overriding consideration.

Text storage

Copier for rare documents

THE BRITISH Library has developed a copier for quickly capturing and storing the contents of whole books without damaging them, which will be launched commercially in the autumn by Cambridge firm Optronics.

The unique feature of this book scanner and digitizer is that it scans direct from the page without harming them, and can easily copy an A4 page in 10 seconds. The British Library developed it to preserve the contents of rare books and documents on computer, withaut harming the originals.

Optronics say that the high resolution digitizer, which it claims can scan copy right down to the very fine print, will be able to connect to many different makes of printer, to computers directly or to machines which are sited remotely.

AIDS FOR PERSONAL COMPUTER SOFTWARE

Tools for the naive programmer

DATAFIT IS both the name of a new British firm and its first software system, which is claimed to give the naive microcomputer user "tools to manage his data."

These tools all sit on a piece of sophisticated computer software—a relational database—which Datafit has developed for microcomputers which use the common CP/M method of operation. There are all the tools needed for the first-time user to be able to write his own computer programs, in a system which is suited to tha small business and which can store up to 8m separate items of data.

Table planning is how Datafit describes the creation of these computer applications. First step is to identify the major pieces of an application, in tha manufacture of products, billing customers or paying the workforce, breaking these down so that they can be quantified and give useful data for the system to work with.

There are five major tools in Datafit, often found in similar competitive products, which allow tha naiva user to make use of his data. The relational database allows the user to create an application program which can take several bits of data and uses them to do some useful work, such as working out production costs. Application prototypes are created just once, then stored for future use as they are or with slight changes.

There is a report writing facility which can automatically pluck data out of the system, and there are also some more expert facilities with which the skilled user can "enter" the database to do more sophisticated things with his information. One of these is a program generator, which actually writes programs on his behalf.

There are also skelton applications which Datafit, or the software's distributors will help the naive to prepare: online designs for putting together applications easily. More from Datafit on 01-385 6141.

THE MANAGEMENT PAGE: Marketing

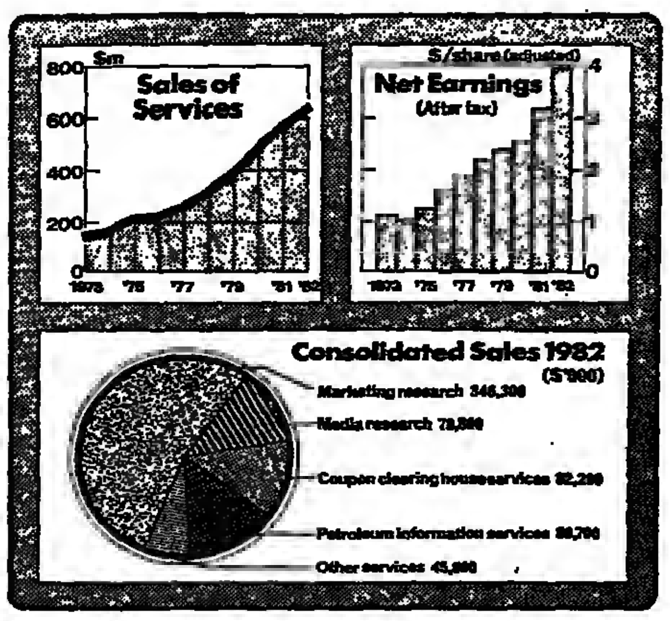
EDITED BY CHRISTOPHER LOREN

How Nielsen got a head start and then started ahead

BY TERRY DODSWORTH

AMERICAN business produces facts in extraordinary abundance. Industrial and commercial life in the U.S. seems to be built on quantifying everything in sight—and frequently trying to conceal the results from competitors. This is fertile breeding ground for anyone who can marshall data effectively, and in A. C. Nielson, the grocery marketing research company, it has produced one of the all-time specialists in gathering data and commercialising it at the same time.

Nielson has been at work collecting and disseminating its research for 60 years. During that time it has had just two chairmen, Arthur C. Nielsen Senior, its founder, and Arthur C. Nielsen Junior, who has just announced his intention to step down. Throughout its existence it has grown and flourished, spreading its tentacles into more and more service areas, moving into 25 countries around the globe, and lifting profits to $44m in 1982. But it has remained very much a family concern, and no one expects that to change very much under Henry Burke, the first chairman to come from outside the family.



Nielsen's growth has been so steady, and its profits so consistent that it is difficult to believe that there is no aggressor that looks remotely like knocking it off its perch at present. There are, of course, a multitude of smaller companies sniping away at its heels in specialised corners of the market, but in its core business of nationwide grocery and pharmaceutical marketing research it occupies a unique niche. Even its television ratings system, which first made the company into a household name, remains unparalleled on a national scale in the U.S. — although there are plenty of local area rivals.

How did Nielsen achieve this dominant position? One reason is that it got a headstart on all the competition and built upon it. Nielsen senior stumbled on grocery marketing research almost by accident. An engineer, he started in market appraisal of engineering equipment in the Chicago area, and was asked to do a similar job for a pharmaceutical company. But once he saw the market, then developing out of the depression in the mid-1930s, he expanded the business rapidly, establishing its techniques — and its overseas base — before the opposition had time to respond.

Nielsen's business is also very much based on people, and like many service companies it does its utmost to keep its team together. About 28 per cent of its employees have been with the organisation for more than five years, and middle and senior management are encouraged to stay by reportedly generous profit-sharing schemes. It would require a colossal investment by a first-time newcomer to achieve anything like the spread of coverage that Nielsen has, and it would be equally hard to find the personnel.

Time and experience are also involved in the delicate business of building up relationships with the stores where Nielsen collects its data. Manufacturers pay for the service, which in its most basic form tells them how they are doing at the point of sale. But the collection depends on the co-operation of the stores — some like the information themselves, and are paid by receiving it free, some allow Nielsen in gratis, and some demand payment. Whatever the arrangement, the quality of the final service depends crucially on this relationship.

About 60 per cent of Nielsen's worldwide sales are still in retailing marketing research. Television ratings account for another 12 per cent or so, its coupon clearing house division for a similar amount, and petroleum geological research for most of the rest. One of the secrets of the group's success is that it has constantly tacked new products onto the basic line, but over the years it has had its failures.

In 1973, for example, it launched an ill-timed venture into petrol station analysis just as the oil crisis struck. Another boob was its effort to break into the magazine readership measurement field, where it was beaten by some well established competition.

Nielsen says that its criterion for expansion now is to aim for areas where it can see the prospect of establishing a dominant position. Often this is by acquisition. Overseas, for example, it has frequently bought similar companies, which are then operated very much as autonomous groups. Local conditions, regulations and habits in controlling information mean that it is never possible to export the U.S. model just as it is.

The group's worldwide dependence on the main line grocery and pharmaceutical marketing research, however, repeatedly leads to Wall Street suggestions that the company will sooner or later fall off its pedestal.

Indeed, the increasing thrust of the computer into retailing ought, in theory, to make it easier for competitors to set up rival systems at lower cost. This has become particularly relevant since the establishment of supermarket checkout scanners, the automatic recognition machines which read labels and produce a complete record of specific purchases.

The scanner reduces the need for marketing research teams at a stroke, makes it possible to monitor sales more closely on a day-to-day basis — and opens up the prospect of more competition to Nielsen.

The group's response to this challenge is that technology has been changing its market continuously since its foundation, and that it has so far adapted to change. It has itself been extremely aggressive in using the new scanning technology in its own research. Nielsen, in fact, stands the criticism on its head, arguing that technological improvements will help to keep costs down and profits up.

In an address to the New York security analysts—Nielsen is quoted on the Nasdaq over-the-counter market, although control is still in the hands of the family — Nielsen also pointed to the continuing possibilities for growth. The company is locked into a market which seems to expand automatically with population growth. As living standards rise throughout the world, so does choice, and with it the possibilities for packaging and differentiation of product.

At the same time, in the more advanced countries, distribution costs are increasing as a percentage of the price of goods. That being the case, says Nielsen, "the most successful companies are likely to be those which are able to develop the most effective marketing systems . . . consequently we are witnessing an increase in the demand for our services."

AD HOC

Divorcees hostile to happy families

THEY HAVE already coined the phrase serial monogamy. Now meet the divorcynic. This, according to some new research, is someone who, in the wake of the trauma of divorce, shows increasing hostility to advertising and some of its claims. Somebody who, as divorce becomes increasingly common across Europe, will need to be considered by the well-tuned marketeer when it comes to communicating his message.

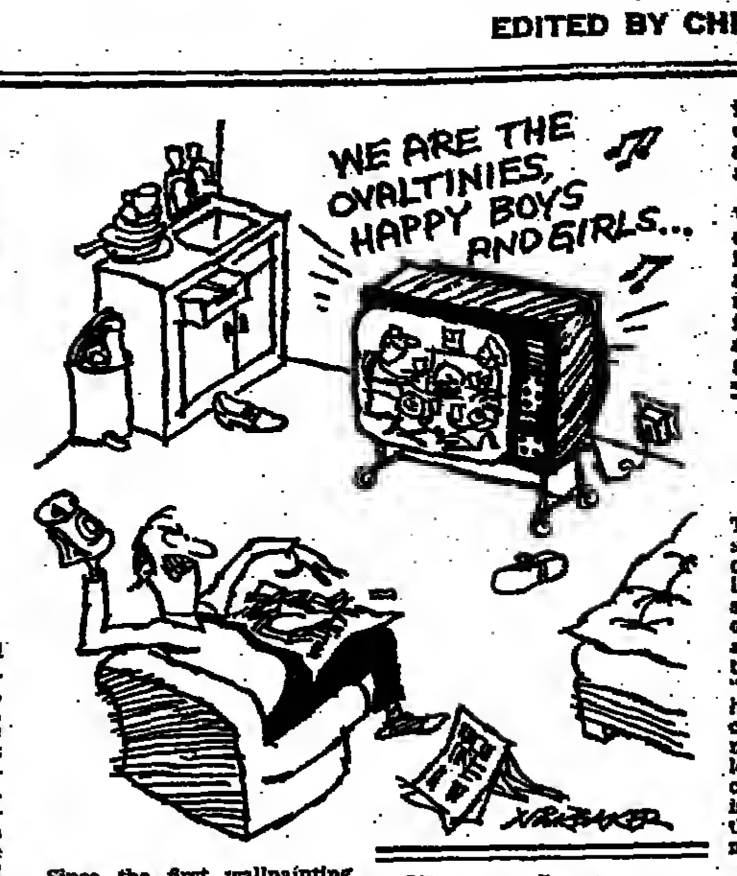
Pictures of happy families, couples arm-in-arm, models with that not-a-care-in-the-world look which advertisers are fond of promoting are more than likely to evince an adverse response from this growing band of society. The scepticism, moreover, apparently continues after remarriage.

This syndrome is highlighted in a research project among 2,000 adults undertaken by the Henley Centre for Forecasting, in conjunction with Wasey Campbell-Ewald, (the agency recently merged with Lowe Howard Spink to become Lowe Howard-Spink Campbell-Ewald) and reported in Advertising Age's latest Focus magazine. The study focused on women, though of course it begs the question of how men respond given the same circumstance.

Divorcynics, a word coined by Wasey's planning director in London, Tony Copeland, are likely to be sensitive to slurs on their capabilities or intelligence.

The statistics quoted show that in the '70s divorce in Britain rose by some 150 per cent with the proportion of divorces to marriages by 1980 in the region of 38 per cent, the highest figure of all European nations. The Netherlands, France and Belgium were not far behind with Germany at 25 per cent.

To what extent this trend affects the portrayal of women in advertising is a question that needs to be asked.



Since the first wallpainting advertising has been a barometer of social change, reflecting the mores and attitudes of the audience of the day. The apt ad, the one that finds a sympathetic reaction in its viewer, who can identify and relate to it, strikes home hardest.

Those who have suffered divorce are frequently prime consumers and have above-average disposable incomes when they remarry (but not after they divorce). Items on which they are likely to have a strong influence include cars, financial services, d-i-y products and furniture, suggests the report.

A typical response to advertising from "divorcynics" was "you can see through it all" or "the trauma of divorce and living alone afterwards with money tight makes us far harder to please."

The researchers suggest that divorcynics have complex aspirations and responsibilities compared with their single or first-time married friends.

Whey they tried out test ads on their sample groups, the researchers found that they responded most favourably to those which showed some understanding of problems of divorce rather than those which singled out divorcees as a single-target group.

Henley predicts that half of all British women aged 25 to 49 will be either separated, divorced or remarried by the end of the century against about 25 per cent now. What sort of society, one wonders, will the ads of 2000 reflect?

Channels on the move

"IT WILL eventually become an irresistible steamroller." So says David Wood, Ogilvy and Mather's media group head, about the explosion of new channels across Europe, in his view the most exciting development of the moment. "Satellite," he continues, "is a catalyst for European governments to free up their stranglehold on broadcasting, particularly in France end Germany."

Gradual and controlled this may be but the signs are already there. Last month came news of a breakfast television station in France which may carry advertising, while in Switzerland, SAP, the television publicity organisation which sells airtime has asked for an increase of five minutes' commercial time a day. This, according to Wood, looks like being granted.

Another significant development is the incursion of foreign channels into other countries. By the end of this year two-thirds of Belgian homes will be receiving BBC 1 and 2.

In the Netherlands two months ago ITV struck a deal with a Dutch cable company, though the Government there has said it is not going to allow advertising specifically aimed at the Dutch. If it takes ITV it will therefore carry British commercials.

The Norwegians, who have not allowed commercial television to date, are now talking of allowing a commerc[ial] cable channel with five minu[tes] advertising per hour (Britain['s] average has six).

"On a scale of 0 to 10," s[ays] Wood, "where 0 is fully g[ov]ernment-controlled, and 10, in the U.S., is open airwa[ves] and a free-for-all, we are movi[ng] along a line at point three [or] four in Western Europe. T[hat] at least is the picture I['m] getting."

Relaxing outdoors

THE Government is propos[ing] some relaxation of control ov[er] outdoor advertising for whi[ch] local authorities are respo[n]sible. Patrick Jenkin, Secreta[ry] of State for the Environme[nt] announced this week his inte[n]tion to introduce a ne[w] "deemed consent" for post[er] hoardings displayed arou[nd] construction sites. This wi[ll] mean that advertisers will [no] longer need the local Council['s] consent, provided the hoardin[g] is not to be displayed for mor[e] than two years and the site [is] not in a Conservation area.

There are also plans for loca[l] planning authorities to have "[a] reasonable control over captiv[e] balloons," a relatively ne[w] form of outdoor advertising. The present aerial advertisin[g] controls on balloons are shortl[y] to be relaxed and they will the[n] be brought formally under th[e] control of local planning autho[ri]rities for the first time.

These amending regulations will be laid before Parliamen[t] "as soon as is practicable in th[e] new session."

Multi-media campaign

ONE of the first advertisements to advertise an advertisement is how Alan Bigg, Christian Brann's marketing director, describes his company's imminent television debut along with Guardian Royal Exchange.

It is, incidentally, the first commercial produced by direct marketing house Christian Brann in its 17 year history.

For GRE, the film test campaign which breaks on Friday in the London and Tyne Tees regions, is a first step on the small screen. Aimed at the over 50s, it will direct viewers to off-the-page policy details, advertised simultaneously in the Press. GRE believes this marks a new strategy—TV backing Press—in the direct marketing of life assurance. If the multi-media approach works there are plans to extend the idea to other TV regions next year.

Feona McEwan

BASE LENDING RATES

A.B.N. Bank	9 %	■ Hambros Bank	9 %
Allied Irish Bank	9 %	Heritable & Gen. Trust	9 %
Amro Bank	9 %	■ Hill Samuel §	9 %
Henry Ansbacher	9 %	C. Hoare & Co. †	9 %
Arbuthnot Latham	9 %	Hongkong & Shanghai	9 %
Armco Trust Ltd.	9 %	Kingsnorth Trust Ltd.	10 %
Associates Cap. Corp.	9½%	Knowsley & Co. Ltd.	9½%
Banco de Bilbao	9 %	Lloyds Bank	9 %
Bank Hapoalim BM	9 %	Mallinhall Limited	9 %
BCCI	9 %	Edward Manson & Co.	10½%
Bank of Ireland	9 %	Meghraj and Sons Ltd.	9 %
Bank Leumi (UK) plc	9 %	Midland Bank	9 %
Bank of Cyprus	9 %	■ Morgan Grenfell	9 %
Bank of Scotland Ω	9 %	National Bk. of Kuwait	9 %
Banque Belge Ltd.	9 %	National Girobank	9 %
Banque du Rhone	10 %	National Westminster	9 %
Barclays Bank	9 %	Norwich Gen. Tst.	9 %
Beneficial Trust Ltd.	10 %	R. Raphael & Sons	9 %
Bremar Holdings Ltd.	9 %	P. S. Refson & Co.	9 %
Brit. Bank of Mid. East	9 %	Roxburghe Guarantee	9½%
■ Brown Shipley	9½%	Royal Trust Co. Canada	9 %
CL Bank Nederland	9 %	Standard Chartered ‖	9 %
Canada Perm't Trust	10 %	Trade Dev. Bank	9 %
Castle Court Trust Ltd.	9½%	TCB	9 %
Cayzer Ltd.	9 %	Trustee Savings Bank	9 %
Cedar Holdings	10 %	United Bank of Kuwait	9 %
■ Charterhouse Japhet	9 %	United Mizrahi Bank	9 %
Choulartons	10½%	Volkskas Intnl. Ltd.	9 %
Citibank Savings ¶	10½%	Westpac Banking Corp.	9 %
Clydesdale Bank	9 %	Whiteaway Laidlaw	9½%
C. E. Coates	9½%	Williams & Glyn's	9 %
Comm. Bk. of N. East	9 %	Wintrust Secs. Ltd.	9 %
Consolidated Credits	9½%	Yorkshire Bank	9 %
Co-operative Bank *	9 %		
The Cyprus Popular Bk.	9 %		
Dunbar & Co. Ltd.	9 %		
Duncan Lawrie	9 %		
E. T. Trust	9½%		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11½%		
First Nat. Secs. Ltd.	11½%		
Robert Fraser	10 %		
Grindlays Bank ‡	9 %		
■ Guinness Mahon	9 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6.5%, 1-month 6.75%. Short-term £8,000/12 months 8.1%.
† 7-day deposits on sums of: under £10,000 5½%, £10,000 up to £50,000 6½%, £50,000 and over 7½%.
‡ Call deposits £1,000 and over 5½%.
‖ 21-day deposits over £1,000 6½%.
§ Demand deposits 5½%.
¶ Mortgage base rate.
Ω Money Market Cheque Account—9.00%. Effective annual rate—9.38%.

U.S. steps up export credit guarantees on grain, Page 38

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WALL STREET

Overheating fears keep lid on rally

A STEADIER tone emerged among stocks on Wall Street yesterday as investors came to terms with the sudden jump in bond yields in the previous session following new uncertainties over federal reserve credit policies, *writes Terry Byland in New York.*

The stock market tried to move forward at one time, hut soon ran out of support. Share prices showed widespread falls, hut a rally in the final hour left the Dow Jones Industrial average 5.49 down at 1259.65 on turnover of 76m shares. Share losses exceeded gains in a ratio of two to one.

Bond prices could make no recovery hut investor confideoce was helped by a rally in bond futures. The credit markets remained wary ahead of the announcemeot this week of a batch of economic data which will be examined for any sign of overheating in the U.S. economy.

The bond markets have been disappointed by the apparent lack of any action by the Federal Reserve to ease its credit policies, and some fear that this suggests that the fed thinks the recovery in U.S. industry is running too strongly.

Nervousness was compounded on Monday by the closure of the New York bond markets for Columbus Day. leaving the initiative to the Chicago bond futures market where prices had turned down sharply.

The key federal funds rate opened higher again at 9⅝ per ceot. Later, with funds at 9¾ per cent, the Federal Reserve made a further $2bn customer repurchase arrangement. This had little effect, however – the funds rate stayed at 9⅝ per cent – and was regarded as nothing more than technical help to the weekly bank settlement operations.

Imperial Chemical was heavily traded again oo the American Stock Exchange, where just under 2m shares were turned over, hringing the total to 6m in the past two trading sessions and lifting the price $⅛ yesterday to $9⅛. ICI closed unchanged at $9.

Salomon Bros, which traded a 2m hlock of ICI shares oo Tuesday, was active in crossing the stock again yesterday but maintained that it was oot alone.

ICI is seeking a transfer of its quotation to New York's Big Board, a move which will substantially increase its attractions as trading stock for U.S. investors.

Of the leaders there, IBM lost $⅞ to $132⅞ and Honeywell $1¼ to $126⅞. General Motors gained $⅜ to $76½ and Ford $¼ to $66¼.

Oil shares shrugged off developments in the Iran–Iraq conflict, and were led forward by Exxon, $½ up at $38½, and Mohil, $¼ up at $31¼.

Among defence issues, Lockheed was delayed at the opening hy a weight of selling orders which followed a downgrading of the earnings estimate by Wertheim, a Wall Street brokerage house. Later, Lockheed stock finally traded $1⅛ down at $43⅜.

The health care and pharmaceutical sector made a good start to the quarterly reporting season with record profits and sales from Abbott Laboratories, which lended unchanged at $51⅛.

The chemical majors looked mixed with Du Pont again wanted at $52⅞, a gain of $¼, but Dow Chemical at $36⅞ and Monsanto at $113 both down.

Amoog the personal computer issues, Coleco jumped $1½ to $30¼ on confirmation that its new Adam computer will reach retailers shortly.

Treasury Bills showed little change from overnight levels, the three-month standing at a discount of 8.80 per cent discount and the six-month at 8.95 per ceot. The key long bond at 103⅜ was about ⅛ down.

KEY MARKET MONITORS

STOCK MARKET INDICES

	Oct 12	Previous	Year ago
NEW YORK			
DJ Industrials	1259.65	1265.14	1003.69
DJ Transport	578.36	583.89	397.63
DJ Utilities	137.14	137.04	121.77
S&P Composite	169.62	170.34	134.44
LONDON			
FT Ind Ord	692.1	698.2	604.9
FT-A All-share	436.44	439.42	377.48
FT-A 500	475.21	477.85	420.92
FT-A Ind	428.12	430.77	391.17
FT Gold mines	549.1	572.7	399.2
FT Govt secs	81.4	61.66	83.37
TOKYO			
Nikkei-Dow	9563.25	9493.09	7413.25
Tokyo SE	697.47	696.28	551.35
AUSTRALIA			
All Ord.	695.3	704.8	524.4
Metals & Mins.	521.2	534.0	430.5
AUSTRIA			
Credit Aktien	54.73	54.82	47.56
BELGIUM			
Belgian SE	128.86	128.71	101.43
CANADA			
Toronto Composite	2485.1	2505.78	1770.4
Montreal Industrials	444.56	447.08	318.62
Combined	422.99	425.93	304.28
DENMARK			
Copenhagen SE	188.39	183.03	91.3
FRANCE			
CAC Gen	140.7	141.3	99.0
Ind. Tendance	149.2	150.0	116.3
WEST GERMANY			
FAZ-Aktien	325.36	327.2	239.2
Commerzbank	963.7	969.3	725.0
HONG KONG			
Hang Seng	736.68	735.36	857.74
ITALY			
Banca Comm.	186.73	189.15	159.78
NETHERLANDS			
ANP-CBS Gen	143.8	144.8	92.0
ANP-CBS Ind	117.3	118.4	70.9
NORWAY			
Oslo SE	212.88	216.45	100.84
SINGAPORE			
Straits Times	947.44	952.62	685.52
SOUTH AFRICA			
Golds	763.6	808.0	767.7
Industrials	917.6	923.9	699.9
SPAIN			
Madrid SE	closed	119.65	102.61
SWEDEN			
J & P	1439.49	1471.22	712.15
SWITZERLAND			
Swiss Bank Ind	342.1	342.3	259.5
WORLD	Oct 11	Prev	Yr ago
Capital Int'l	184.2	185.8	144.8

GOLD (per ounce)

	Oct 12	Prev
London	$394.875	$398.625
Frankfurt	$394.75	$398.75
Zürich	$395.50	$398.50
Paris (fixing)	$397.11	$402.88
Luxembourg (fixing)	$396.20	$401.00
New York (Oct)	$397.10	$398.20

* indicates latest pre-close figure

CURRENCIES

(London)	U.S. DOLLAR Oct 12	U.S. DOLLAR Previous	STERLING Oct 12	STERLING Previous
$	–	–	1.504	1.5065
DM	2.6145	2.588	3.935	3.9
Yen	234.25	232.25	352.5	350.0
FFr	7.9875	7.91	12.01	11.915
SwFr	2.123	2.1045	3.195	3.1725
Guilder	2.9325	2.8995	4.4125	4.37
Lira	1586.5	1573.0	2385.5	2369.0
BFr	53.22	52.7	80.05	79.4
C$	1.23275	1.23175	1.854	1.8555

INTEREST RATES

	Oct 12	Prev
Euro-currencies (three month offered rate)		
£	9 7/16	9 7/16
SwFr	4⅜	4 5/16
DM	5⅞	5⅞
FFr	14⅞	15
FT London Interbank fixing (offered rate)		
3-month U.S.$	9 13/16	9 11/16
6-month U.S.$	9 15/16	9 13/16
U.S. Fed Funds	9⅝	9⅝
U.S. 3-month CDs	9.30	9.15
U.S. 3-month T-bills	8.78	8.78

U.S BONDS

Treasury	Oct 12 Price	Oct 12 Yield	Prev Price	Prev Yield
10⅜ 1985	100 17/32*	10.63*	100 14/32	10.62
11½ 1990	99 24/32*	11.53*	99 21/32	11.50
11⅞ 1993	101 22/32*	11.57*	102	11.52
12 2013	103*	11.63*	103 13/32	11.59
Corporate				
AT & T				
10⅜ June 1990	94½*	11.50*	94½	11.65
3⅜ July 1990	69⅝*	10.30*	69	10.40
8⅜ May 2000	76⅞*	12.00*	76⅞	12.05
Xerox				
10⅜ March 1993	93½*	11.85*	93½	11.90
Diamond Shamrock				
10⅜ May 1993	92⅜*	11.95*	92⅜	12.15
Federated Dept Stores				
10⅜ May 2013	87.822*	12.15*	87.823	12.15
Abbot Lab				
11.8 Feb 2013	97.168*	12.15*	97.166	12.15
Alcoa				
12¼ Dec 2012	96.892*	12.65*	96.892	12.65

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
December	71–14	71–22	71–10	71–14
U.S. Treasury Bills (IMM) $1m points of 100%				
December	90.92	80.96	90.84	90.87
Certificates of Deposit (IMM) $1m points of 100%				
December	90.28	90.31	90.20	90.24
LONDON				
Three-month Eurodollar $1m points of 100%				
December	90.16	90.16	90.07	90.21
20-year Notional Gilt £50,000 32nds of 100%				
December	105–31	106–00	105–10	106–00

COMMODITIES

(London)	Oct. 12	Prev
Silver (spot fixing)	681.05p	698.10p
Copper (cash)	£962.50	£970.50
Coffee (Nov)	£1907.50	£1891.50
Oil (spot Arabian light)	$28.47	$28.47

LONDON

Jitters over rights issue queue

A LACKLUSTRE performance in London owed much to the overnight fall on Wall Street, while the threats to Gulf Oil shipments and concern about a lengthening rights issue queue provided further dampening influences.

The FT Industrial Ordinary index ended 6.1 down at 692.1 – its lowest for nearly three months and 48.3 below its August peak for the year.

ICI again proved a feature among otherwise drab equity leaders, following heavy buying in New York on Tuesday when a record 3m shares changed hands. ICI closed up 20p at 596p on a combination of U.S. and domestic support.

In contrast, Glaxo fell 18p more at 707p following renewed U.S. selling after annual results. *Details, page 33; Share Information Service, Pages 34–35.*

AUSTRALIA

GOLD-RELATED mining issues led a Sydney downturn in line with a fresh overnight erosion in bullion values. This contributed to a 9.5 fall in the All Ordinaries index at 695.3, losing its hold oo the 700 mark established last month.

Ceotral Norseman slid 60 cents to A$8.70 and GMK 30 cents to A$10, while market leader BHP dipped 20 cents to A$12.45.

Gulf oil worries pulled Santos 30 cents off at A$7.50, while News Corporation led industrials 30 cents down at A$3.60.

HONG KONG

AN IMPROVED foreign exchange standing combined with some short-covering to hold Hong Kong stocks steady, although an abseoce of institutiooal activity left volume low.

With the Hang Seng index 1.32 firmer at 736.68, leaders showed Hang Seng Bank itself 50 cents better at HK$31, while Cheung Kong at HK$5.85 and Hutchison Whampoa at HK$9.70 were each 10 cents ahead.

SINGAPORE

A VERY thin Singapore trade left the Straits Times industrial index 5.38 lower at 947.44 as losses outnumbered gains 105 to 47, but the 175 issues unchanged reflected the unwillingness to embark on any new direction.

The Malaysian budget due oo October 21 was cited as a reasoo for caution.

Of the industrial leaders National Iroo slipped 10 cents to S$6.65 and Cold Storage four cents to S$4.96.

SOUTH KOREA

MONDAY'S PLUNGE in Seoul stock prices, in reaction to the killing of four cabinet ministers, was substantially corrected yesterday and oo Tuesday after brokerage houses received a state loan package totalling 30hn won ($38m).

Purchases made by the securities houses for their own account with these funds provided an immediate support level.

Construction companies were exceptions to the rally amid possihle financial difficulties arising from a decline in Middle East order inflow.

SOUTH AFRICA

SHARP LOSSES in gold shares, prompted by heavy selling in the wake of a further easing in the hullion price, led a broad decline in Johannesburg.

Among the heaviest losses were Vaal Reefs, down R6.25 at R119.75, and Welkom, which shed R1.50 to R14.50. Diamond share De Beers lost 20 cents to R9 and Rustenburg Platinum 60 cents to R11.50.

Industrials were mixed with an easier bias.

CANADA

FURTHER LOSSES in gold issues led Toronto lower overall in moderate trading. Of the 14 major stock groupings only papers, consumer products, utilities and media issues managed an advance. The weaker trend was also reflected in Montreal.

TOKYO

Court result clears way for record

REACTIVATED BUYING of speculatives, oils and noo-ferrous metal issues pushed share prices back to record levels in Tokyo yesterday as the market reacted calmly to the Tokyo District Court's conviction of the former Japanese Prime Minister, Mr Kakuei Tanaka, in the 7½ year old Lockheed hribery scandal, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei-Dow average, which lost 69.39 points oo Tuesday, advanced 70.16 to close at an all-time high of 9,563.25. Volume also expanded to 339.37m shares against the previous sessioo's 248.59m. Advances led declines 363 to 291, with 171 issues unchanged.

Wall Street's overnight retreat exerted downward pressure oo prices at the opening, hut investor concern about a possihle market slump in the wake of the Lockheed verdict faded quickly wheo the court handed down a seotence of four years' imprisonmeot on Mr Tanaka, which matched earlier expectations.

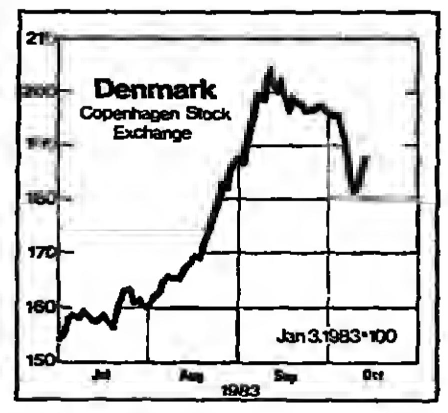
Increased tension in the Iran-Iraq war gave support for noo-Gulf linked oil, non-ferrous metal and other resource-related issues. Nippoo Oil rose Y60 to Y1,230 and Maruzen Oil Y16 to Y425. Mitsui Mining and Smelting gained Y22 to Y630, Nippoo Mining Y17 to Y296 and Dowa Mining Y14 to Y520.

Also selected were builders likely to benefit from business stimulative measures by fiscal funds. Aoki Construction was up Y20 to Y990, Tokyu Construction Y44 to Y399, and Japan Development and Constructioo Y23 to Y289. Property issues also held firm, with Mitsui Real Estate up Y7 to Y782 and Tokyu Land Y5 to Y362.

Blue chips were mixed in relatively light trading. Sony advanced Y40 to Y3,820, Fujitsu Y10 to Y1,400 and Toyota Motor Y10 to Y1,290. But Hitachi declined Y14 to Y905, Matsushita Electric Industrial Y10 to Y1,750 and Honda Motor Y10 to Y987.

Bond prices edged down in thin trading as buyers were discouraged by an upturn in U.S. interest rates and the Bank of Japan's selling of Y500hn in Treasury bills. Market participants also grew cautious after the fast decline in bond yields last week.

The yield oo the barometer 7.5 per cent government bonds, due in January 1993, rose sharply from Tuesday's 7.63 per cent to 7.69 per cent, but eased back to 7.68 per ceot later oo small-lot buying.



EUROPE

Resilience accompanies the caution

EVIDENCE WAS provided yesterday both that the European bourses appear to have embarked on a brief pause for consolidation and, at the same time, that such a phase can provide stock prices with significantly greater resilieoce than might be obtained under an unremitting bull market.

The determined downward correction overnight in New York was viewed as being founded almost entirely on technicalities and, although some centres in Europe are also hovering within hailing distance of all-time peaks.

An upward twitch in U.S. interest rates caused some discomfort on domestic bond markets, and the retreat by Wall Street stocks was by no means ignored, but late huying lifted many bourses off their lows.

A resumption of purchases was identified particularly in **Frankfurt**, unable to be reflected in the midsession daily calculation of the Commerzbank index: it stood 5.6 off at 963.7.

Quiet bond dealings took public paper down a half-point ahead of terms for a DM 650m issue of 10-year loan stock for the federal railways, priced at par to yield 8.25 per cent. The Bundesbank bought DM 67.9m in existing paper, as well as arranging mooey market currency swaps.

A similar trend emerged for **Amsterdam**, where KLM opened weaker hut finished Fl 1.40 ahead at Fl 160.10 on healthy load factor and traffic figures. Elsevier, the receotly strong puhlisher, relinquished Fl 6 to Fl 440.

A **Copenhagen** recovery cootioued apace, adding DKr 25 to Danske Sukker at DKr 740 and DKr 16 to Provinsbankeo at DKr 311 as political fears receded.

Stockholm, however, was the most prone of all to Wall Street jitters: its heedy advance this year has drawn strong henefit from oew-found U.S. interest. The Jacobsoo and Ponsbach index slid 31.73 to 1439.49, and falls of SKr 10 were common to Pharmacia at SKr 420 and Skandia at SKr 320.

In additioo, a possihle new wealth tax was rumoured, and a ceotral hank iospector was reported as criticising "over-speculation" on the market.

Selling io **Oslo** cut Borregaard and Norsk Hydro hy NKr 5 apiece to a respective NKr 160 and NKr 537.50.

Stop-loss **Milan** selling iotruded oo a developing weakness over feared oew corporate taxes to take Generale L1,500 lower at L137,500. Mediobanca slid L920 to L63,100 on its one-for-five scrip, while bonds too tended easier.

An active and steady **Zurich** was supported by overseas buying. Amoog strong insurers, Swiss Re added SwFr 100 to SwFr 6,900 and Zurich Insurance SwFr 225 to SwFr 17,300.

Dull **Paris** sentiment pulled l'Oréal FFr 20 down at FFr 1,990 while state modification of a Peugeot job-sheddiog plan aided a FFr 7.50 dip to FFr 204.50. Broader measures to modernise French industry had little impact.

Brussels drew little comfort from news of reduced pressure on the franc, although among scattered decent rises, Hobokeo picked up BFr 20 to BFr 4,570 on a company expectation of a profits increase for the year just ended.

Madrid was closed

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close	Ch'ge Prev. Close
17¼	6⅞	AAR	.44	2.8	20	24	15⅝	15¼	15½	+⅛
52⅜	29½	ACF	1.40	2.8	64	532	50¾	50	50⅛	
29	14⅛	AMF	.50	2.9		913	18¼	17½	17½	−⅞
38¾	15	AMRCp			40	5892	28½	27¼	27⅞	−1⅞
18⅞	14⅞	AMR	pf2.18	12		78	18⅝	18½	18⅝	+⅛
39⅞	24⅞	AMR	pf2.13	6.9		113	32⅛	31	31	−1
15¼	2½	APL			30	131	14⅞	14⅝	14⅝	
55	31⅛	ARA	2.05	4.0	13	97	51¼	50¾	50¾	
78⅞	47	ASA	3a	5.4		545	58⅞	56	56	−1⅞
38¾	10	AVX	s .32	1.2	68	60	27⅞	26⅞	26⅞	−1
53⅝	34⅛	AbtLab	1	1.9	20	2035	52⅛	51½	51⅝	
30⅞	23⅞	AccoW	s .50	2.0	19	50	25⅛	24⅞	24⅞	−⅛
27½	16¾	AcmeC	.40	1.7		21	23⅞	23⅝	23⅝	−⅛
14⅞	7⅞	AcmeE	.32b	2.7	294	57	12⅛	11⅞	11⅞	+⅛
23⅝	6	AdmDg	.04	.2	20	109	u24½	23¾	24⅛	+⅜
17⅞	14⅞	AdaEx	1.73e	10		69	17⅞	17¼	17⅞	
18¾	9⅞	AdmMl	.24	1.4	9	17	17¼	17	17¼	
18⅝	8⅞	Advest	s .12	.9	7	60	13⅝	13¼	13¼	−⅛
34⅞	10⅝	AMD			53	1965	32⅞	31	31	−⅞
24⅝	12⅝	Aerflx	.5		17	21	16⅝	16¼	16⅝	−⅛
44¾	32⅞	AetnLf	2.64	7.8	7	1231	38⅞	37½	37¾	−⅛
65	55½	AetL	pf5.18e	9.3		60	56	56	56	−⅛
40½	17⅛	Ahmns	.80	2.8	17	1348	30⅛	29⅝	30	−⅝
7¼	2½	Aileen				92	4⅝	4½	4½	−⅛
51	29⅞	AirPrd	1	2.1	14	1115	48⅛	47¼	47⅞	+⅜

Continued on Page 31

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

Continued on Page 32

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 30

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										
65½	56½	VaE	pf7.72	13.		z490	61¼	61½	61½	
65	52¾	VaEP	pf7.20	13.		z120	57½	57½	57½	
64¼	56	VaEP	pf7.45	12.		z300	59⅝	59⅝	59⅝	−⅜
27½	16	Vornad			21	5	25¼	25	25¼	+ ¼
12⅝	8	Vulcinc				1	8⅞	8¾	8¾	
70	45	VulcnM	2.44	4.0	17	21	61½	60¾	61	−¾
W-W-W										
23¼	18	WICOR	2.14	9.8	6	39	22½	22⅛	22¼	−⅛
47⅛	29¾	Wachov	1.28	3.4	10	242	47	46	46	−1⅛

Continued on Page 32

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 31

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NEW YORK CLOSING PRICES

Continued from Page 31

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CANADA

(Closing Prices) Stock	Oct 12	Varn.
AMCA Int.	23	+⅜
Abitibi	24⅛	+⅛
Agnico Eagle	16⅝	−⅜
Alberta Energy	20⅝	−⅛
Alcan Alumin	40⅞	–
Algoma Steel	32	+⅛
Asbestos	11⅛	
Bk Montreal	27⅛	−⅛
Bk Nova Scotia	44⅝	−⅛
Bell Canada	28⅝	−⅛
Bombardier A	16⅝	–
Bow Valley	25½	−⅜
B.P. Canada	–	
Brascan A	37	−⅞
Brinco	3.15	–
B. C. Forest	12	–
CIL Inc	29¼	–
Cadillac Fairv.	8⅛	−⅛
Can Cement	–	
Can NW Energy	27	−⅛
Can Packers	25¼	–
Can Trustco	45	–
Can Imp Bank	30⅝	−⅜
Canadian Pacific	49⅞	−⅜
Can. P. Ent.	23½	–
Can Tyre A	58⅞	−⅜
Carling O'Kfe	23⅝	−⅜
Chieftain	17¼	−⅛
Cominco	56⅝	−⅜
Cons Bathst A	23⅝	−½
Coseka Resources	3.9	−0.2
Costain	10	–
Denison Mines	44	−½
Dofasco	52½	−1
Dome Mines	15⅝	−⅜
Dome Petroleum	4.9	−0.05
Dominion Strs.	20	−½
Domtar	27⅝	+⅛
Falconbridge	75½	−1¼
Genstar	29	−⅜
Giant Y'knife	23½	–
Gt West Life	250	
Gulf Canada	18⅝	−⅛
Hawk Sid Can	17¼	−⅛
Hudson's Bay	23	−⅜
Husky Oil	11⅝	–
Imasco	32⅛	–
Imp Oil A	37⅝	+½
Inco	19⅝	−½
Indal	11⅛	+⅝
Interpr Pipe	30	−⅜
LAC Minerals	–	
Macmil Bloedel	28⅝	−⅜
Marks & Spencer	14	+⅛
Massey-Ferg	6⅛	–
McIntyre Mines	38¼	−1½
Mitel	17⅛	+⅜
Moore Corp	56⅝	−½
Nat. Sea Prods A	8⅝	–
Noranda Mines	25⅝	–
Numac Oil	25⅝	–
Nova Alberta	6⅞	−⅛
Nthn Telecom	53½	−1⅛
Oakwood Pet	19½	−⅛
Pancanadian Pet	27⅝	−⅜
Patino	8	–
Placer Devt	23⅛	−⅛
Power Corp Can	18⅝	−⅜
Quebec Sturgeon	7⅝	−⅛
Ranger Oil	12⅞	−⅛
Reed Stenhse A	13½	–
Rio Algom	18½	−⅛
Royal Bank	32⅞	–
Royal Trustco A	27	−⅛
Sceptre Res	6½	−⅛
Seagram	43⅝	−⅛
Simpson Sears A	–	–
Shell Can Oil	26½	−½
Stelco	28	−½
Teck B	12⅞	−⅜
Texaco (Canada)	38¼	+⅛
Thomson News A	35½	−½
Toronto Dom Bank	18	−⅛
Transalta A	21¾	–
Trans. Can. Pipe	28	−½
Walker Hiram	26⅝	−⅛
Westcoast Trans	15	–
Weston (Geo)	63½	+1½

AUSTRIA

Oct. 12	Price Sch%	+ or −
Creditanstalt	212	+1
Goesser	324	+4
Interunfall	410	—
Landerbank	211	−1
Perlmooser	342	—
Steyr Daimler	160	—
Veitscher Mag.	207	−1

BELGIUM/LUXEMBOURG

Oct. 12	Price Frs.	+ or −
ARBED	1,530	+2
Banq Int A Lux.	4,500	—
Bekaert B	2,970	+20
Ciment BR	1,905	—
Cockerill	176	−3
Delhaize	4,400	−45
EBES	2,270	−20
Electrobel	6,160	—
Fabrique Nat.	2,335	+5
G.B.L. Inno	2,940	—
GBL (Brux)	2,425	—
Gevaert	2,490	—
Hoboken	4,570	+20
Intercom	180	—
Kredietbank	6,300	+60
Pan Hldgs.	8,200	—
Petrofina	6,710	−40
Royale Belge	7,050	—
Soc. Gen. Banq.	2,825	—
Soc. Gen. Belge	1,825	−5
Sofina	5,010	+50
Solvay	9,400	—
Traction Elect	3,200	−5
UCB	4,050	+25
Vieille Mont	5,400	+20

DENMARK

Oct. 12	Price Kr %	+ or −
Aarhus Olie	445	−50
Andelsbanken	285	+10
Baltica Skand	455	—
CopHandelsbank	256	+15
D. Sukkerfab	740	+25
Danske Bank	271	+11
East Asiatic	169	+15
Forende Brygg	1,195	—
Forende Damp	188	+15
GNT Hldg	475	—
I.S.S.B.	655	—
Jyske Bank	605	—
Novo Ind	3,230	—
Privatbanken	270	+9
Provinsbanken	311	+15
Smidth (Fl)	250	+14
Sophus Berend	921	—
Superfos	352	+10

FRANCE

Oct. 12	Price Frs.	+ or −
Emprunt 4½% 1973	1,975	+4
Emprunt 7% 1973	9,789	−51
CNE 3%	6,010	−10
Air Liquide	492.5	−1.5
BIC	655	−5
Bouygues	715	−5
BSN Gervais	2,250	+60
CIT-Alcatel	1,335	—
Carrefour	1,384	+15
Club Mediter'n	682	−15
CFAO	537	+1
Cie Bancaire	368	—
Cofimeg	180	—
Creusot Loire	42.6	−0.5
Darty	694	+19
Dumez	900	+5
Eaux (Cie Gen)	400	−18
Elf-Aquitaine	166.5	−7.7
Gen. Occidental	632	—
Imetal	65.9	+1.4
Lafarge Coppee	258.0	−2.2
L'oreal	1,990	−20
Legrand	1,893	+3
Maisons Phenix	365	+7
Matra	1,038	−25
Michelin B	774	−6
Midi (Cie)	1,150	−16
Moet-Hennessy	1,322	−6
Moulinex	90.2	+2.8
Nord Est	54.1	−1.9
Pernod Ricard	672	−8
Perrier	361.0	−4.5
Petroles Fr.	155.1	+0.1
Peugeot-SA	204.5	−7.5
Poclain	78.0	−0.5
Printemps Au	118.0	+1
Radiotech	411.0	−4
Redoute	1,150	−14
Roussel-Uclaf	582	−8
Schneider	61	−3
Sefimeg	248.1	−4.9
Skis Rossignol	1,210	−30
Telemech Elect	1,302	—
Thompson (CSF)	178.0	−2.5
Valeo	280.0	−1.8

GERMANY

Oct. 12	Price Dm.	+ or −
AEG-Telef	82.9	−0.1
Allianz Vers.	680	+2
BASF	154	−1.3
Bayer	155	−1.4
Bayer-Hypo	285	—
Bayer-Verein	318	−1
BHF-Bank	285	−4.8
BMW	389.5	−0.1
Brown Boveri	286.5	−2.3
Commerzbank	166.6	−0.5
Conti Gummi	116.8	−0.4
Daimler-Benz	600	+4
Degussa	354.8	−2.9
Demag	154	−1
D'sche Babcock	185	+1
Deutsche Bank	304	−3
Dresdner Bank	172.1	−1.6
GHH	146.5	−3
Hochtief	423	—
Hoechst	164	−1
Hoesch Werke	28.5	−0.5
Holzmann (P)	420	−2
Horten	165.5	+1.5
Kali und Salz	209	−2
Karstadt	266	−2.5
Kaufhof	252	−0.6
KHD	256	−6
Kloeckner	42	−1
Krupp	79.5	—
Linde	392	−3
Lufthansa	124	−1.8
MAN	135.2	−4.3
Mannesmann	139.2	−2
Mercedes Hld	537	+2.5
Metallgesell	215	—
Muench Rueck	840	−10
Preussag	263	+0.5
Rhein West Elect	175.5	−1.5
Rosenthal	307	−2
Schering	368.8	—
Siemens	358.6	−0.9
Thyssen	80.6	+0.6
Varta	177.6	−0.5
Veba	174	—
V.E.W.	124	−2.5
Verein-West	310	—
Volkswagen	227.6	−0.2

ITALY

Oct. 12	Price Lire	+ or −
Banca Com'le	27,000	−650
Bastogi-IRBS	173	−17
Centrale	1,450	−17
Credito Varesino	3,965	+64
Fiat	2,951	−22
Finsider	41	—
Generale (Assic)	137,580	−1580
Invest	2,870	−50
Italcementi	45,370	−130
Montedison	195	+1
Olivetti	3,192	−58
Pirelli Co.	2,601	+6
Pirelli Spa	1,605	−10
Snia Viscosa	1,140	−5
Toro Assic.	10,700	−100
do. Pref.	8,070	−490

NETHERLANDS

Oct. 12	Price Fls.	+ or −
ACF Holding	171	−0.8
Ahold	175	−0.8
AKZO	78.5	−0.4
ABN	373.5	−1
AMEV	137	−1.5
AMRO	65.5	−0.9
Bredero Cert	175	−2
Boskalis Westm	47	+0.4
Buhrmann-Tet	53	+1.5
Caland Hldgs	34.5	−0.5
Credit Lyon's Bk	44.5	−0.5
Elsevier-NDU nV	440	−5
Ennia	163.5	−0.8
EuroCom Tst	107	+1
Gist-Brocades	165	−2
Heineken	163.7	−0.8
Hoogovens	35.8	−0.2
Hunter Douglas	15.1	+0.8
Int-Muller	28.9	−0.1
KLM	160.1	+1.4
Naarden Intl	43.5	−0.6
Nat Ned Cert	180.7	−1.8
Ned. Credit Bank	42.5	−0.9
Ned Mid Bank	153.8	−2.6
Nedlloyd	98	−0.1
Oce Grinten	220	+1
Ommeren (Van)	31.8	−0.1
Pakhoed	57.2	−1.5
Philips	46	−0.2
Rijn-Schelde	3.9	—
Robeco	326	−2
Rodamco	127.9	+0.2
Rolinco	312.9	−1.6
Rorento	195.3	−1.1
Royal Dutch	136	+0.1
Unilever	238.7	+0.7
VMF Stork	85.6	−2.9
VNU	122.2	−3.8
West Utr Bank	105	—

NORWAY

Oct. 12	Price Kroner	+ or −
Bergens Bank	150	−2
Borregaard	160	−5
Christiania Bk	136	−3
Creditbank	137.5	−2.5
Elkem	115.5	−1
Norsk Data	265	—
Norsk Hydro	537.5	−5
Storebrand	182.5	—

SPAIN

Oct. 11	Price Pesetas	+ or −
Bco Bilbao	246	—
Bco Central	256	—
Bco Exterior	219	—
Bco Hispano	207	—
Bco Santander	257	—
Bco Vizcaya	309	+3
Dragados	132	+9
Hidrola	45.2	+0.2
Iberduero	41	+0.5
Petroleos	97.5	+4.5
Telefonica	91	+9

SWEDEN

Oct. 12	Price Kronor	+ or −
AGA	350	−5
Alfa-Laval	271	−3
ASEA (Free)	360	—
Astra (Free)	635	−15
Atlas Copco	111	—
Boliden	390	−11
Cardo	390	−10
Cellulosa (Free)	153xd	−12
Electrolux B	227	−6
Ericsson	438	−15
Esselte (Free)	290	−10
Fagersta	400	—
Mo Och Domsjo	343	−2
Pharmacia (Free)	430	−10
Saab-Skania	947	−5
Sandvik B (Free)	323	−9
Skandia	320	−10
Skan Enskilda	309	−2
SKF B	157	−7
St. Kopparberg	540	−10
Sven Handelsbn	177	−3
Swedish Match	243	−3
Volvo B (Free)	415	−7

SWITZERLAND

Oct. 12	Price Frs.	+ or −
Alusuisse	763	−17
Bank Leu	4,225	—
Brown Boveri	1,120	−10
Ciba Geigy	2,160	−10
do. (Part Certs)	1,725	−15
Credit Suisse	2,105	—
Elektrowatt	2,920	+10
Fischer (Geo.)	605	+5
Genevoise	3,450	—
Hoff-RochePtCts	90,750	−250
Hoff-Roche 1/10	9,075	−25
Jacobs Suchard	5,150	—
Jelmoli	1,750	—
Landis & Gyr	1,440	—
Nestle	4,030	+0.005
Oer-Buehrle	1,270	—
Pirelli	268	—
Sandoz (Br)	6,850	+25
Sandoz (PtCts)	1,065	+10
Schindler (PtCts)	445	−3
Swissair	858	+3
Swiss Bank	300	−2
Swiss Reinsce	6,900	+100
Swiss Volksbk	1,420	+10
Union Bank	3,130	—
Winterthur	2,780	+10
Zurich Ins	17,300	+225

AUSTRALIA

Oct. 12	Price Aust. $	+ or −
ANZ Group	5.66	−0.02
Acrow Aust	1.25	—
Alliance Oil D.	0.95	—
Ampol Pet	1.85	—
Aust Cons Ind	1.65	−0.02
Aust. Guarant	2.58	—
Aust. Nat. Inds	2.5	—
Aust. Paper	2.2	—
Bond Hldgs	1.15	−0.05
Boral	4.08	−0.04
B'ville Copper	2.55	−0.02
Brambles Inds	3.06	+0.01
Bridge Oil	3.3	—
BHP	13.45	−0.2
CRA	5.42	−0.1
CSR	3.65	−0.05
Carlton & Utd	3.0	—
Castlemaine	4.2	+0.05
Coles (G.J.)	3.6	−0.05
Comalco	3.0	+0.05
Consolidated Pet	0.54	−0.06
Costain	1.25	—
Dunlop	1.41	−0.01
E.Z. Ind.	5.7	−0.05
Elders IXL	4.25	−0.05
Energy Res	1.5	—
Gen Prop Trust	1.9	+0.02
Griffin Coal	6.5	—
Hardie (J.)	4.03	−0.02
Hartogen Energy	2.6	−0.1
Herald W'y Times	3.13	—
ICI Aust.	2.05	+0.01
Jimb'lana (50cFP)	0.23	—
Kia Ora Gold	0.23	−0.01
Lend Lease	5.04	+0.05
MIM	5.7	−0.12
Mayne Nickless	2.2	—
Meekatharra	1.5	—
Myer Emp.	1.50	−0.01
Nat.Com.Bk.	5.26	−0.02
News	8.5	−0.5
Nicholas Kiwi	2.66	−0.04
North Bkn Hill	3.15	−0.07
Oakbridge	1.15	+0.01
Otter Expl.	0.62	−0.03
Pancon	1.35	−0.1
Pioneer Conc.	1.67	−0.05
Reckitt & Coln	2.25	—
Repco	1.25	—
Santos	7.6	−0.2
Smith (H.)	3.5	—
Southland Min'g	0.3	—
Spargos Expl	0.46	−0.06
Thos. Nationwide	1.77	+0.02
Tooth	4.7	+0.1
UMAL Cons	2.2	—
Vamgas	5.6	−0.1
Western Mining	3.75	−0.11
Westpac	3.5	−0.04
Woodside Petrol	1.25	−0.03
Woolworths	2.5	−0.05
Wormald Intl.	2.2	+0.04

HONG KONG

Oct. 12	Price H.K.$	+ or −
Bank East Asia	16.4	+0.1
Carrian Invest	0.87	—
Cheung Kong	6.65	+0.1
China Light	11.4	—
Hang Lung Devel.	1.46	—
Hang Seng Bank	31	+0.5
HK Electric	4.5	—
HK Kowloon Wh.	2.97	+0.05
HK Land	2.3	+0.05
HK Shanghai Bk.	6.75	−0.1
HK Telephone	50.5	—
Hutchison Wpa	2.7	+0.1
Jardine Math	8.35	—
New World Dev.	2.1	—
Orient O'seas	2.4	−0.02
O'seas Trust Bk.	2.57	−0.05
SKH Props	4.1	−0.1
Swire Pac A	19.4	+0.5
Wheel'k Mard A	2.5	—
Wheel'k M'time	1.55	—
World Int. Holdgs	1.25	—

JAPAN

Oct. 12	Price Yen	+ or −
Ajinomoto	1,040	+20
Alps Electric	2,350	−30
Amada	830	+3
Asahi Chem	388	−3
Asahi Glass	649	−1
Bridgestone	525	−9
Canon	1,490	−20
Casio Comp	1,500	—
Chugai Pharm	1,110	+10
Citizen	641	+15
Daiei	644	+14
Dai Nippon Ptg	880	−17
Daiwa House	645	+20
Ebara	823	—
Eisai	1,330	+10
Fanuc	7,750	+90
Fuji Bank	500	—
Fuji Film	2,250	−10
Fujisawa	920	+6
Fujitsu	1,400	+10
Green Cross	1,750	+20
Hasegawa	488	−14
Heiwa Real Est.	588	−4
Hitachi	905	−14
Hitachi Credit	1,370	−10
Honda	987	−10
House Food	983	−3
Hoya	1,910	—
Itoh (C)	311	−2
Ito-Yokado	1,450	−80
Iwatsu	1,600	−20
JACCS	358	−6
JAL	9,540	+20
Jusco	782	+9
Kajima	327	−1
Kao Soap	602	−7
Kashiyama	640	—
Kirin	435	−3
Kokuyo	855	−5
Komatsu	498	−4

JAPAN (continued)

Oct. 12	Price Yen	+ or −
Konishiroku	645	[illegible]
Kubota	305	[illegible]
Kumagai	465	[illegible]
Kyoto Ceramic	7,610	[illegible]
Maeda Const	580	[illegible]
Makino Milling	1,380	[illegible]
Makita	1,370	[illegible]
Marubeni	285	[illegible]
Marudai	605	[illegible]
Marui	1,140	[illegible]
MEI	1,380	[illegible]
M'ta Elec Works	684	[illegible]
M'bishi Bank	600	[illegible]
M'bishi Corp	580	[illegible]
M'bishi Elec	400	[illegible]
M'bishi Estate	508	[illegible]
MHI	265	[illegible]
Mitsui Co	367	[illegible]
Mitsui Estate	702	[illegible]
Mitsukoshi	397	[illegible]
NGK Insulators	646	[illegible]
Nihon Cement	198	[illegible]
Nippon Denso	1,560	[illegible]
Nippon Elect	1,380	[illegible]
Nippon Express	511	[illegible]
Nippon Gakki	642	[illegible]
Nippon Kokan	161	[illegible]
Nippon Oil	1,120	[illegible]
Nippon Seiko	609	[illegible]
Nippon Shinpan	780	[illegible]
Nippon Steel	158	[illegible]
Nippon Suisan	334	[illegible]
NTV	8,500	[illegible]
Nippon Yusen	258	[illegible]
Nissan Motor	720	[illegible]
Nisshin Flour	405	[illegible]
Nisshin Steel	148	[illegible]
Nomura	746	[illegible]
Olympus	1,250	[illegible]
Omron Tateisi	1,740	[illegible]
Orient Leasing	2,400	[illegible]
Pioneer	2,960	[illegible]
Renown	693	[illegible]
Ricoh	974	[illegible]
Sankyo	755	[illegible]
Sanyo Elect	489	[illegible]
Sapporo	378	[illegible]
Sekisui Prefab	618	+8
Seven-Eleven	6,470	+20
Sharp	1,400	—
Shimadzu	550	+5
Shionogi	609	+4
Shiseido	1,110	+10
Sony	3,620	+40
Stanley	789	+16
S'tomo Elect	665	−5
S'tomo Marine	255	+2
S'tomo Metal	159	−1
Taihei Dengyo	551	—
Taisei Corp	227	+5
Taisho Pharm	915	—
Takeda	785	+5
TDK	5,000	−40
Teijin	385	+5
Teikoku Oil	855	+57
Tokio Marine	610	—
TBS	728	−3
Tokyo Elect Pwr	1,100	—
Tokyo Gas	152	—
Tokyo Sanyo	560	−5
Tokyu Style	580	—
Tokyu Corp	318	+12
Toppan Print	680	—
Toray	420	−4
Toshiba	358	+2
TOTO	401	−10
Toyo Seikan	825	+5
Toyota Motor	1,290	+10
Victor	2,900	−40
Wacoal	670	−5
Yamaha	481	—
Yamanouchi	1,640	+70
Yamazaki	608	−2
Yasuda Fire	234	−6
Yokogawa	461	−1

SINGAPORE

Oct. 12	Price $	+ or −
Boustead Bhd	2.60	−0.06
Cold Storage	4.96	−0.04
DBS	9.55	−0.1
Fraser & Neave	6.2	−0.1
Genting	4.5	−0.1
Haw Par	2.94	−0.02
Inchcape Bhd	3	−0.02
Malay Banking	9.2	+0.05
Malay Brew	5.7	—
OCBC	10.6	—
OUB	4.28	−0.02
Sime Darby	2.32	−0.02
Straits S'mship	1.89	−0.04
Straits Trdg	6.45	−0.05
UOB	5.5	—

SOUTH AFRICA

Oct. 11	Price Rand	+ or −
Abercom	2.75	—
AE & CI	9.1	−0.1
Anglo Am Coal	26.65	+0.1
Anglo Am Corp	30.65	+0.05
Anglo Am Gold	130	+3.6
Barclays Bank	16.5	—
Barlow Rand	12.5	−0.1
Buffels	68	+1
CNA Gallo	2.80	—
Currie Finance	4	—
De Beers	9.2	−0.05
Driefontein	36.25	+0.5
FS Geduld	47.5	+1.5
Gold Fields S.A.	126	—
Highveld Steel	4.65	—
Nedbank	13.5	—
OK Bazaars	25	−0.5
Protea Hldgs	3.00	+0.1
Rembrandt	22.5	+0.75
Rennies	12.75	+0.25
Rustenburg	12.1	+0.7
Sage Hldgs	5.5	−0.05
SA Brews	7.62	+0.02
Smith (C.G.)	29	—
Tongaat Huletts	8.55	—
Unisec	5.75	+0.05

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

Indices

NEW YORK-DOW JONES

	Oct 12	Oct 11	Oct 10	Oct 7	Oct 6	Oct 5	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	1259.66	1265.14	1268.8	1272.15	1268.8	1250.2	1272.15 (7/10)	174.39 (11/8)	1272.15 (7/10/83)	41.22 (2/7/32)
Transport	578.36	583.88	583.63	588.7	583.63	578.44	598.84 (21/9)	434.24 (3/1)	590.84 (21/9/83)	12.23 (8/7/32)
Utilities	137.14	137.04	140.08	138.97	140.08	138.82	140.08 (10/10)	119.46 (3/1)	163.32 (20/4/69)	10.05 (28/4/42)
Trading vol 1000's†	7563	7961	11827	10303	11827	10171	–	–	–	–

	Sep 23	Sep 16	Sep 9	(Year Ago Approx)
Ind div yield %	4.43	4.53	4.48	5.92

STANDARD AND POORS

	Oct 12	Oct 11	Oct 10	Oct 7	Oct 6	Oct 5	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	191.48	192.21	191.78	192.36	191.78	188.9	193.22 (22/8)	154.95 (3/1)	193.22 (22/8/83)	3.52 (30/6/32)
Composite	169.63	170.34	170.28	170.8	170.28	167.74	170.99 (22/8)	138.34 (3/1)	170.99 (22/8/83)	4.4 (1/6/32)

	Sep 28	Sep 21	Sep 14	Year Ago (Approx)
Ind div yield %	3.88	3.90	3.85	5.29
Ind. P/E Ratio	14.60	14.58	14.33	8.90
Long Gov Bond Yield	11.34	11.50	11.50	11.63

N.Y.S.E. ALL COMMON

Oct 12	Oct 11	Oct 10	Oct 7	1983 High	1983 Low
–	–	–	–	442.62 (6/9)	78.79 (24/1)

RISES AND FALLS

	Oct 12	Oct 11	Oct 10
Issues traded	963	999	984
Rises	538	487	135
Falls	36	149	514
Unchanged	389	363	335

MONTREAL

	Oct 12	Oct 11	Oct 10	Oct 7	1983 High	1983 Low
Industrials	444.56	447.80	–	448.75	463.88 (5/5)	329.12 (4/1)
Combined	422.95	425.93	–	427.51	441.29 (28/6)	318.4 (5/1)
TORONTO Composite	2496.1	2505.7	–	2517.1	2598.2 (28/9)	1949.4 (4/1)

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

	Oct. 12	Oct. 11	Oct. 10	Oct. 7	1983 High	1983 Low
AUSTRALIA All Ord. (1/1/80)	695.5	704.7	707.6	708.5	736.7 (12/8)	487.6 (4/1)
Metals & Mins. (1/1/80)	521.2	535.3	554.5	540.5	614.2 (5/8)	411.8 (4/1)
AUSTRIA Credit Aktien (2/1/62)	54.73	54.82	54.65	54.76	59.8 (5/5)	49.48 (15/3)
BELGIUM Belgian SE (31/12/63)	128.86	128.73	128.73	128.94	134.43 (1/8)	100.50 (4/1)
DENMARK Copenhagen SE (3/1/83)	188.39	185.85	181.59	188.41	204.22 (15/8)	100.00 (3/1)
FRANCE CAC General (31/12/82)	140.7	141.5	140.3	140.3	141.3 (11/10)	98.1 (8/1)
Ind Tendance (31/12/82)	149.2	150.0	149.7	150.1	150.1 (7/10)	98.8 (5/1)
GERMANY FAZ-Aktien (31/12/58)	325.36	327.20	327.17	326.95	351.65 (7/7)	241.38 (25/1)
Commerzbank (Dec 1953)	963.7	968.5	970.4	968.49	986.3 (7/7)	727.9 (25/1)
HONG KONG Hang Seng Bank (31/7/64)	756.59	756.36	753.59	734.85	1102.94 (27/7)	690.09 (4/10)
ITALY Banca Comm Ital. (1972)	189.73	189.15	191.80	191.51	214.35 (21/6)	160.46 (13/1)
JAPAN** Dow Average (16/5/49)	9565.25	9465.08	(c)	9362.49	9565.25 (12/10)	7803.18 (25/1)
Tokyo New SE (4/1/68)	687.47	686.28	(c)	688.90	699.95 (7/10)	574.51 (25/1)
NETHERLANDS ANP-CBS General (1970)	145.8	144.5	143.9	146.4	144.8 (11/10)	100.7 (4/1)
ANP-CBS Indust (1970)	117.5	118.4	118.4	116.1	118.4 (10/10)	88.6 (4/1)
NORWAY Oslo SE (4/1/83)	212.80	218.48	217.60	216.56	217.60 (10/10)	99.01 (4/1)
SINGAPORE Straights Times (1966)	847.44	852.02	840.98	850.19	892.62 (25/8)	712.22 (6/1)
SOUTH AFRICA Gold (1958)	(u)	898.6	(c)	–	1069.5 (1/2)	694.5 (29/8)
Industrial (1958)	(u)	825.8	(c)	–	868.7 (26/8)	704.8 (6/1)
SPAIN Madrid SE (31/12/82)	(c)	119.98	(c)	118.44	128.82 (15/7)	98.38 (11/1)
SWEDEN Jacobson & P. (1/1/58)	1459.48	1471.22	1479.98	1476.88	1528.80 (6.9)	896.18 (5/1)
SWITZERLAND SwissBankCpn. (31/12/58)	342.1	342.3	341.6	338.7	347.8 (4/8)	284.4 (4/1)
WORLD Capital Intl. (1/1/70)	–	184.2	185.8	184.8	185.8 (10/10)	154.5 (3/1)

(**) Saturday Oct. 8: Japan Dow (c) TSE (c).
Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto—1,000: the last named based on 1975. † Excluding bonds. ‡ 400 Industrial. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

LONDON STOCK EXCHANGE

MARKET REPORT

Renewed strength in ICI fails to sustain equities

Index 6.1 down at 692.1—Golds weak

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Oct 3	Oct 13	Oct 14	Oct 24
Oct 17	Oct 27	Oct 28	Nov 7
Oct 31	Nov 10	Nov 11	Nov 21

* "New-time" dealings may take place from 9.30 am two business days earlier.

Another lack-lustre performance by London Stock markets owed much to the near-20 point overnight fall on Wall Street. The reaction was all the more disappointing because London had not followed the American centre's recent advance to record highs. Dealers marked UK leaders lower at the outset. Prices then picked up momentarily on cheap buying before drifting back on lack of follow-through support to close quietly dull. The threats to Gulf oil shipments and concern about a lengthening rights issue queue were dampening influences.

ICI again featured otherwise drab equity leaders. Following heavy buying on Tuesday in New York where a record 3m shares changed hands up to around £6, the London price moved up in line on a combination of U.S. and domestic support. Demand was still being fuelled by hopes for the group's new fibre, Tactel, and for a good set of third-quarter figures when the group reports on October 27. By way of contrast, Glaxo, another index constituent, dropped to 705p before closing 18 down on balance at 707p following renewed American selling following the annual results.

The FT 30-share index opened with a fall of 5.4 at 10 am and closed 6.1 down and 48.3 below its August peak at 692.1, its lowest for nearly three months.

Elsewhere, old and new bid situations provided some light relief. A day after having its bid for Sunlight Service cleared by the Office of Fair Trading, Brengreen announced improved terms which left the former 25 higher at 265p but brought another rejection.

The gilt-edged market gained no inspiration from Tuesday's money supply figures which showed that M3 had been brought back under control. Potential buyers paid more heed to renewed doubts over the Federal Reserve credit policy and thoughts that interest rates may be held at their current high levels. The longs closed with falls ranging to ½, after ¾, while shorter-dated maturities closed narrowly mixed. The Government Securities eased 0.26 for a three-day loss of 0.77 at 81.40.

Index-linked stocks weakened after having firmed on Tuesday in response to the inflationary implications of the rise in manufacturers' costs in September. Down by as much as ⅞ at the "House" close, falls were later extended to a full point on marking down by jobbers in face of the attraction offered by the longer term redemption of the new £750m. £30-paid Treasury 2½ per cent Index-linked 2020 stock announced at 3.30 pm. Treasury 2½ per cent IL 2016 lost a point to £93.

South African gold shares suffered one of their now all-too-familiar shake-outs in sympathy with a fresh decline in the gold bullion price which again dropped below $400 an ounce. Closing falls among the heavyweight gold shares ranged to £3, while the FT Gold Mines index dropped 23.6 to 549.1, which is nearly 186 points off last February's record all-time high.

Banks lower again

The major clearing banks drifted lower in the absence of investment support. Lloyds, 445p, and Midland, 390p, both lost 8, while Barclays shed 6 to 442p and NatWest 5 to 570p. Discount houses caught the mood of gilts and finished lower throughout. First National Finance slipped to 60½p before closing a penny dearer on balance at 63½p.

Insurances settled around the day's lowest in the absence of worthwhile trade. Among Composites, Eagle Star shed 8 more to 457p, while General Accident lost 8 to 412p. Life issues had Pearl 11 down at 674p.

In first-time dealings Acorn Computers opened at 118p and slipped to 110p before support at the lower level brought them back to 118p.

Dealers marked leading Breweries sharply lower in a vain attempt to establish a trading level. Grand Metropolitan were particularly friendless and fell 8 to record a two-day loss of 15 at 313p. Bass, 315p, Allied-Lyons, 136p, and Greenall-Whitley, 100p, all gave up around 5, while Scottish and Newcastle eased 3 to 92p. Similar conditions prevailed among Wines and Spirits. Distillers declined 3 to 208p and Arthur Bell 5 to 123p, both issues at new 1983 lows. Highland, due to announce preliminary figures later this month, eased a couple of pence to 87p.

London Brick attracted fresh support on hopes that a full bid for the group will emerge and, after opening a couple of pence lower at 94p, the shares picked up to close 2 dearer on balance at 98p. Other leading Buildings mirrored the market trend, but with the exception of BPB Industries, which encountered persistent small selling and shed 10 to 260p, falls were limited to a few pence. Elsewhere, Pochins stood out with a gain of 18 to 213p following the doubled preliminary profits.

Already trading around a new high for the year of 588p as the official trading session drew to a close, ICI surged forward in the after-hours' dealings on renewed strong U.S. demand and closed 20 up on the day at 596p. Other Chemical issues, completely overshadowed, gave ground in the absence of interest.

Debenhams react

Stores succumbed to the general malaise, although dealers again reported little business of consequence. Debenhams, firm on Tuesday following rumours of flotation plans for certain parts of the group and consortium takeover attempts, reacted 5 to 137p. Burton shed 4 at 338p, while British Home, interim results scheduled for next Wednesday, eased 3 to 222p. Waring and Gillow provided a rare exception in rising 4 to 89p awaiting news from the annual meeting. Dixons, AGM today, eased 5 to 198p, while fellow electrical retailers Comet shed a like amount to 293p. I. D. & S. Rivlin, widely regarded as a "shell" situation, gave up 2 more to 60p despite the announcement that Mr Michael Ashcroft's Hawley has increased its stake to just over 11 per cent. Helene of London eased a fraction to 18½p after the virtually unchanged first-half figures.

Strong and Fisher attracted renewed small support and rallied 5 to a 1983 peak of 75p.

Marked down initially leading Electricals encountered buying interest at the lower levels and rallied to close marginally better on balance. The preliminary results from CPU Computers, down 7 at 113p, failed to inspire the market, while Farnell, awaiting today's interim statement, gave up 15 to 325p. Reflecting comment on the half-year figures, Bowthorpe eased 4 more to 258p. MK Electric fell 10 further to 280p, while losses of 8 were marked against Unitech, 205p, and United Scientific, 355p. George H. Scholes fell 23 to 440p in a limited market.

Disappointing interim figures prompted sharp falls in Ash and Lacy, down 25 at 465p, and Spirax-Sarco, 12 off at 170p. Elsewhere in Engineers, Goring Kerr met further demand and put on 7 more to 232p, with Tace improving 8 to 112p in sympathy. Williams Holdings firmed 5 to 110p, while Parkfield Foundries attracted occasional support and improved 4 to 27p.

Foods contributed to the overall dullness. Associated Dairies, 174p, and Tesco, 166p, both shed 4, while annual profits at the lower end of market estimates left Bejam 3 cheaper at 145p. Rowntree Mackintosh softened a couple of pence to 206p and Cadbury Schweppes lost the turn to 99p. United Biscuits lacked support and shed 3 to 144p, but S. & W. Berrisford moved against the trend and firmed that much to 172. Fitch Lovell held at 163p; the company has sold its marine farming subsidiary to Norsk Hydro for £1.7m cash.

Glaxo down again

Glaxo remained a sensitive market following the recent preliminary results; from a lower opening of 705p the quotation subsequently rallied to 720p before easing back to close at 707p for a fall of 18 on the day. Other leading miscellaneous industrials were usually only a few pence easier after a rather indecisive performance, but Bowater gave up 5 to 196p and Boots closed 5 cheaper at 151p. Elsewhere, Sunlight Service featured with a jump of 25 to 265p on the revised offer from Brengreen; the latter eased 4½ to 94p. Royal Worcester advanced 10 to 330p pending further developments in the bid situation with Crystalate, but Hoover A gave up 7 to 188p on scattered selling by tired holders awaiting further news of the possible offer from the U.S. parent. Johnson Matthey, a poor market since the announcement of heavy losses on its U.S. jewellery interests, rallied a few pence to 208p. Speculative demand prompted a gain of 5 to 199p in Cookson, but comment on the interim figures left Waterford Glass a penny lower at 19½p. Elsewhere, Star Computer were noteworthy for a fall of 25 to 275p. Geo. Wills held steady at 139p; the price given in yesterday's issue was incorrect.

Further selling in the wake of the poor interim results prompted a fresh reaction in Campari which shed 4 more to a 1983 low of 34p. Intervision attracted a relatively lively business but, after slipping to 25p, closed without alteration at 27p; the annual results are expected at the end of the month. LWT A provided an isolated firm spot among television issues and firmed 4 to 170p.

The announcement late on Tuesday that 18.3 per cent of the equity is now in American hands failed to provide any impetus to Dunlop which eased to 52p before reverting to the overnight 54p. Aerospace Engineering added a penny more at 160p in the wake of the 1-for-14 scrip issue, but Automotive Products turned dull and gave up a couple of pence to 33p. Among equally disappointing Distributors, T. C. Harrison gained the turn to 58p following the increased mid-term profits.

Tuesday's modest revival in the Property sector gave way to drab conditions yesterday with the leaders drifting easier for want of further attention. Land Securities softened 3 to 296p and MEPC 2 to 210p. Hammerson A lost 5 to 705p; the interim results are due tomorrow. Disappointment with the annual results and property revaluation clipped a penny from Scottish Metropolitan, to 80p, but further consideration of the preliminary statement left Chesterfield 10 up at 315p. Trust Securities, firm at the start of the week, came back 4 to 42p following adverse Press comment. Morland Securities, which jumped 32 on Tuesday following the 52p per share bid from Mr J. Peace, advanced to 85p before closing 5 down on balance at 75p.

Textiles were quietly irregular. Coats Patons provided one of the day's best upward movements in gaining 4 to 72p in front of today's half-timer. Allied, on the other hand, lacked support and closed 7 down at 244p. Harold Ingram, again the subject of option business, fell 50 to 262p in a narrow market.

Moorside Trust advanced 10 to 104p in response to the agreed offer from Guinness Peat, 2 dearer at 46p, after 48p.

Exco International, widely reported to be interested in taking a stake in a Stock Exchange member firm, dipped 10 to 555p, as did Mercantile House, to 334p.

Hadson fall late

Leading Oils closed little changed after opening slightly easier. Among the explorers, a disappointing drilling report caused late weakness in Hadson Petroleum which dropped 18 to 80p. Clyde Petroleum closed unaltered at 120p following the announcement of the deals with Bowater and Thomson International.

Golds down again

Fears of further rises in U.S. interest rates led to a sharp decline in bullion prices in overnight American markets and in London early yesterday. The falls prompted a heavy bout of selling throughout mining markets.

Bullion dropped $3.75 to $394.875.

The gold share market encountered persistent selling from the outset and this, coupled with a total absence of support from Johannesburg, led to widespread losses throughout the list. The Gold Mines index fell 23.6 to 549.1.

Heavyweights continued to bear the brunt of the pressure with Vaal Reefs a notable casualty and finally £3 down at £71¼ while falls in the region of one to two points were common to Durban Deep, £18¾, Kloof, £28¼, and Free State Geduld, £26. Cheaper-priced issues showed Welkom 76 lower at 865p and ERGO 27 off at 442p.

Weak metal prices and a further decline in UK equities led to substantial selling of Financials, especially the London-registered issues. RTZ closed 16 down at 549p, Gold Fields dipped 10 to 520p and Charter 7 to 220p.

South African Financials mirrored the overall trend and were featured by Gold Fields of South Africa, £2¼ down at £71½, and "Amgold, which lost £1½ to £76½. De Beers dropped 13 to 534p and Anglo American Corporation ½ to £11¼.

Recently-firm Platinums attracted sizeable selling and profit-taking from the Continent which left Impala 25 lower at 820p and Rustenburg 20 cheaper at 690p.

Australians were highlighted by the marked weakness in Ashton Mining, which gave up 13 to 85p following the placement of 10.8m shares at A$1.30 (79p) a share and a proposed rights issue to raise A$56m to fund its share of the Ashton diamond project in Western Australia.

Other Australians continued to lose ground, the leaders being featured by Western Mining, 6 off at 234p, CRA which gave up 8 to 324p and Peko-Wallsend, 12 lower at 394p.

Despite a relatively subdued session among the underlying securities, business in Traded Options improved and 2,483 contracts were done. ICI continued to dominate, although activity here was more two-way than of late, with 398 calls and 114 puts struck; the October 550 calls again proved popular, attracting 110 trades and rising 9 more to 39p. Lonrho recorded 167 calls and 115 puts, while useful support was evident for GEC put positions, especially the January 180 series which accounted for 215. The most spectacular premium changes were confined to mining issues. Vaal Reefs November 130 puts jumped 5 to $24, while Cons. Gold Fields October 550 puts advanced 10 to 40p. RTZ November 583 puts closed 19 up at 43p.

FINANCIAL TIMES STOCK INDICES

	Oct. 12	Oct. 11	Oct. 10	Oct. 7	Oct. 6	Oct. 5	year ago
Government Secs.	81.40	81.66	81.88	82.17	82.07	82.03	83.57
Fixed Interest	84.50	84.90	84.83	84.83	84.84	84.69	83.97
Industrial Ord.	692.1	698.2	701.1	709.8	711.4	727.8	604.9
Gold Mines	549.1	572.7	570.9	569.7	566.5	544.8	399.2
Ord. Div. Yield	4.88	4.85	4.79	4.73	4.72	4.74	4.66
Earnings, Yld.% (full)	9.68	9.60	9.52	9.41	9.39	9.43	10.38
P/E Ratio (net) (*)	12.94	13.04	13.15	13.31	13.34	13.28	11.57
Total bargains	20,024	19,819	19,987	19,869	20,432	20,043	28,066
Equity turnover £m.	—	160.66	171.32	182.39	196.47	311.50	202.95
Equity bargains	—	15,850	16,945	14,509	14,973	15,844	19,384
Shares traded (ml)	—	103.9	103.2	191.9	190.1	146.3	126.7

10 am 692.8. 11 am 694.7. Noon 693.8. 1 pm 693.7. 2 pm 693.9. 3 pm 693.7.

Basis 100 Govt. Secs. 15/1/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/1/55. SE Activity 1974.

Latest Index 01-246 8026.

Nil = 12.17.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	85.50 (15/6)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	84.90 (11/10)	79.03 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	740.4 (22/8)	598.4 (12/1)	740.4 (22/8/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	531.5 (28/5)	734.7 (15/2/83)	43.3 (26/10/71)

S.E. ACTIVITY

	Oct. 11	Oct. 10
—Daily		
Gilt Edged Bargains	162.9	164.5
Equities Bargains	102.7	109.5
Equities Value	324.7	346.3
5-day Avrge		
Gilt-Edged Bargains	154.4	152.4
Equities Bargains	101.8	102.4
Equities Value	372.9	387.9

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Oct 10	Oct 21	Jan 12	Jan 23
Oct 24	Nov 4	Jan 26	Feb 6
Nov 7	Nov 18	Feb 9	Feb 20

For rate indications see end of Share Information Service

Money was given for the call in London Brick, First National Finance, Polly Peck, Acorn Securities, Allied Plant, Metal Sciences, K.O. Boardman, Inter-City, Phoenix Properties, LCP, Combined Technologies, GEC, Glaxo, Fleet Holdings, Sterling Guarantee and Wearwell. A put was taken out in London Brick, while doubles were transacted in London and Liverpool, London Brick, Harold Ingram and B. Elliott.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Ashton Mining	85	−13
Atlantic Res.	545	—
GEC	178	+ 2
Glaxo	707	−18
Goring Kerr New	232	+ 7
Grand Met.	313	− 8
ICI	596	+20
London Brick	98	+ 2
Moorside Trust	104	+10
Plessey	198	+ 1
RTZ	549	−18
TACE	112	+ 8

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
Telematrix New	24	228	+ 8
Glaxo	13	725	−25
ICI	13	576	+ 4
Atlto Cmps Nw	12	278	− 8
Debenhams	12	142	+ 9
Eagle Star	11	463	− 7
GEC	11	176	− 2
Morland Secs.	11	80	+32
Plessey	11	197	− 1
Brengreen	10	98½	+ 7½
First Nat Fin Cp	10	62½	—
Grand Met.	10	321	− 7
Lon. & Liv. Tst	10	42	− 7
Royal Insur.	10	493	− 7

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed Oct 12 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues Oct 11 Index No.	Mon Oct 10 Index No.	Fri Oct 7 Index No.	Thurs Oct 6 Index No.	Year ago (approx) Index No.
1	CAPITAL GOODS (202)	436.35	−0.3	9.51	4.05	13.58	437.85	439.31	445.64	451.22	445.19
2	Building Materials (24)	435.76	−0.8	10.77	4.73	11.69	439.48	438.97	439.39	435.86	377.57
3	Contracting, Construction (29)	697.33	−0.2	13.34	5.10	9.40	698.83	697.13	699.22	701.61	783.24
4	Electricals (37)	1551.50	—	8.54	2.44	15.22	1551.02	1562.61	1603.66	1654.69	1875.50
5	Engineering, Contractors (10)	428.40	−0.6	15.39	6.48	8.06	431.13	430.02	434.63	432.85	453.83
6	Mechanical Engineering (59)	189.02	−0.9	12.69	5.95	9.86	190.65	191.09	193.69	193.44	195.06
8	Metals and Metal Forming (9)	154.74	−0.7	12.29	7.58	9.92	155.75	156.97	161.85	163.63	140.44
9	Motors (18)	111.89	−0.3	—	4.60	—	112.18	112.35	112.59	111.72	73.74
10	Other Industrial Materials (16)	537.24	−0.3	5.80	4.36	22.88	539.12	539.20	538.11	538.45	360.75
21	CONSUMER GROUP (198)	425.51	−1.1	10.76	4.60	11.38	430.33	432.90	437.06	438.27	387.69
22	Brewers and Distillers (23)	426.62	−2.0	13.13	5.35	9.51	435.53	438.53	444.72	443.99	424.10
25	Food Manufacturing (22)	342.80	−0.4	13.38	5.85	8.72	344.16	343.68	343.48	343.44	324.05
26	Food Retailing (13)	976.62	−1.4	7.44	2.61	17.36	990.68	994.96	999.92	1004.29	818.39
27	Health and Household Products (9)	698.43	−1.3	6.52	3.06	18.22	707.88	727.66	747.70	750.34	644.24
29	Leisure (23)	567.29	−1.1	8.90	4.79	14.53	573.51	575.40	574.86	581.14	483.24
32	Newspapers, Publishing (15)	945.24	−0.9	9.88	5.04	13.26	953.99	960.52	957.21	954.63	533.64
33	Packaging and Paper (14)	186.77	−1.4	10.99	5.32	11.22	189.42	190.36	191.53	192.18	146.14
34	Stores (47)	390.48	−1.2	8.32	3.90	16.24	395.26	395.08	397.63	400.40	350.37
35	Textiles (20)	282.75	+0.4	12.45	5.71	9.59	281.55	282.09	285.87	287.85	173.36
36	Tobaccos (3)	435.11	—	22.90	7.31	4.89	435.30	435.30	436.28	437.87	449.72
39	Other Consumer (9)	425.98	−0.6	5.98	4.90	—	428.59	431.81	434.38	432.13	301.76
41	OTHER GROUPS (85)	388.63	+0.4	8.20	4.41	15.38	386.89	385.79	385.24	383.83	273.31
42	Chemicals (15)	568.67	+2.0	7.95	4.45	16.47	557.61	555.34	549.22	541.58	358.91
44	Office Equipment (6)	105.88	+1.2	9.06	4.26	14.09	104.61	105.78	105.23	104.65	103.27
45	Shipping and Transport (14)	753.07	−0.6	7.57	5.38	17.96	757.93	751.75	753.97	759.45	598.35
46	Miscellaneous (50)	497.98	−0.8	8.49	4.09	14.15	501.94	501.65	504.39	506.95	372.39
49	INDUSTRIAL GROUP (485)	428.12	−0.6	9.94	4.39	12.57	430.77	432.57	436.43	438.56	390.27
51	Oils (15)	988.98	−0.2	11.39	6.03	10.66	991.46	989.94	985.26	981.67	753.62
59	500 SHARE INDEX	475.21	−0.6	10.20	4.68	12.18	477.85	479.17	482.48	484.12	420.92
61	FINANCIAL GROUP (124)	317.38	−0.9	—	6.04	—	320.20	321.46	324.50	325.36	259.00
62	Banks (6)	326.72	−1.3	26.28	7.81	4.25	331.04	333.34	335.63	334.96	264.26
63	Discount Houses (8)	318.28	−1.7	—	8.73	—	315.71	316.94	316.37	317.01	326.30
65	Insurance (Life) (9)	446.64	−0.1	—	5.01	—	447.13	448.73	452.90	451.98	325.42
66	Insurance (Composite) (10)	212.48	−1.3	—	7.29	—	215.21	218.05	221.17	222.13	172.72
67	Insurance Brokers (7)	567.42	+0.1	11.97	5.12	11.45	566.95	571.64	571.59	567.87	556.27
68	Merchant Banks (12)	187.34	−0.7	—	4.96	—	188.63	189.82	190.51	189.65	140.14
69	Property (54)	452.46	−0.7	6.32	4.16	21.15	455.77	455.91	456.29	462.30	400.31
70	Other Financial (18)	232.79	−1.4	11.97	5.79	10.06	236.00	235.68	239.56	240.53	170.32
71	Investment Trusts (108)	435.29	−0.9	—	4.65	—	439.43	442.79	444.03	442.51	336.00
81	Mining Finance (4)	271.87	−2.5	10.28	5.37	12.00	278.86	280.75	283.55	283.68	222.28
91	Overseas Traders (14)	474.21	−0.8	7.56	7.90	20.31	478.19	482.83	488.48	482.42	366.53
99	ALL-SHARE INDEX (750)	436.44	−0.7	—	4.91	—	439.42	440.95	444.81	445.26	377.48

FIXED INTEREST

	PRICE INDICES	Wed Oct 12	Day's change %	Tues Oct 11	xd adj. today	xd adj. 1983 to date
	British Government					
1	5 years	116.90	−0.04	117.03	—	8.78
2	5-15 years	129.66	−0.27	130.01	—	11.19
3	Over 15 years	139.28	−0.40	139.84	—	10.29
4	Irredeemables	151.91	−0.72	153.01	—	8.90
5	All Stocks	128.49	−0.28	128.80	—	10.36
6	Debentures and Loans	104.26	−0.39	104.63	—	8.80
7	Preference	78.52	+0.07	78.46	—	5.77

	AVERAGE GROSS REDEMPTION YIELDS		Wed Oct 12	Tues Oct 11	Year ago (approx)
	British Government				
1	Low Coupons	5 years	9.85	9.81	8.29
2		15 years	10.14	10.09	9.60
3		25 years	9.87	9.82	9.81
4	Medium Coupons	5 years	11.19	11.15	10.41
5		15 years	11.01	10.94	10.46
6		25 years	10.45	10.40	10.13
7	High Coupons	5 years	11.28	11.26	10.46
8		15 years	11.17	11.12	10.68
9		25 years	10.57	10.51	10.33
10	Irredeemables†		9.83	9.75	10.02
11	Debs & Loans	5 years	12.89	12.86	11.75
12		15 years	11.97	11.91	11.04
13		25 years	11.88	11.82	11.41
14	Preference†		12.47	12.48	12.64

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

Series		Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
GOLD C	$400	56	2	—	—	38	37	$394.50
GOLD C	$425	29	3	47	11.90	10	20	"
GOLD C	$450	7	1.60	47	8	15	13	"
GOLD P	$375	5	3	140	7	9	10	"
GOLD P	$400	96	12	165	17.60	4	17	"
GOLD P	$425	12	51	—	—	—	—	"
[illegible]								

TOTAL VOLUME IN CONTRACTS: 14,195

A=Ask B=Bid C=Call P=Put

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date		1983 High	1983 Low	Stock	Closing price	+or−
92	F.P.	—	29/10	118	104½	Anglo-Indonesian	110	.....
80	F.P.	—	23/11	93	89	Assoc. Paper	93	.....
1250cts	F.P.	—	7/10	801	755	Barlow Rand 10cts	787	+7
1	Nil	—	19/10	4¼pm	2¾pm	Bridgend Proc. 'A' Ord. 1p	4pm	.....
23	F.P.	—	30/11	27	23	C. N. Industrials 10p	25	.....
48	F.P.	—	28/10	48¾	48	Cambrian & Gen. Sec.	47	.....
55	F.P.	—	28/10	68	64	" " Cap. 7½p	57	.....
50	Nil	—	11/11	11pm	4pm	✠Coleman Milne 10p	11pm	+5
20cts	Nil	—	—	9½pm	1½pm	Eagle Corp'n. 10cts	7pm	.....
440	F.P.	—	—	575	502	Exco Int'l. 10p	355	−15
82	F.P.	—	28/10	82	70	✠Floyd Oil 10p	70	.....
83	Nil	—	28/10	10pm	2pm	Garnar Booth	8pm	−1½
40	Nil	—	14/10	64	51	Group Lotus Car 10p	53	.....
17	F.P.	—	29/10	20	19	Helene of London 10p	18½	−½
20	Nil	—	18/11	58pm	25pm	Inter-City Inv. 20p	25pm	−2
50	F.P.	—	—	88	37	‡‡Marinex Pet. 10p	57	−5
35	F.P.	—	23/11	46	40½	Munton Bros. 10p	42	−½
A$2	Nil	—	7/11	73pm	63pm	Nat. Com. Bk Aust. $A1	37pm	−8
80	F.P.	—	21/10	87	80	Nesco Invs.	83	.....
20	F.P.	13/9	21/10	30	24	Parkdale 10p	27	.....
11	F.P.	—	25/11	27	13	✠Parkfield Foundries 5p	27	+3
120	F.P.	—	11/11	129	128	Pritchard Servs.	128	+1
93	F.P.	—	14/10	143	120	Steinberg 10p	123	+1
310	F.P.	—	23/10	369	352	Tate & Lyle £1	358	−2
210	F.P.	—	11/11	240	225	Utd. Newspapers	230	.....

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimates. *d* Dividend rate paid or payable on part of capital; cover based on dividend on full capital. *g* Assumed dividend and yield. *u* Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1983. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. ● Figures or report awaited. § Placing price. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. ‡ Effective issue price after scrip. † Formerly dealt in under special rule. †† Dealt in under Rule 163 (3).

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (20)

AMERICANS (2)
Gulf Oil — Quaker Oats

BANKS (1)
Sthn. Bus. Leasing

CHEMICALS (1)
ICI

ELECTRICALS (1)
Real Time Control

ENGINEERING (1)
Cartwright (R.)

INDUSTRIALS (5)
Hawtin — Spear (J. W.)
Royal Worcester — Sunlight Service
S I Group

MOTORS (1)
Solex A

PROPERTY (3)
Estates Prop. Inv. — Morland Secs.
Land Lease

SHIPPING (1)
Gotaas-Larson

SHOES (1)
Strong & Fisher

TRUSTS (2)
Argo Inv. — Moorside Trust

OVERSEAS TRADERS (1)
Steel Bros.

NEW LOWS (39)

BREWERS (8)
Bell (Arthur) — Greenall Whitley
Do. 8½pc Cnv. 1999-2001 — Greene King
Boddingtons — Highland Distilleries
Distillers — Marston Thompson

BUILDINGS (2)
AMEC — Newarthill

STORES (2)
Gent (S. R.) — NSS Newsagents

ELECTRICALS (11)
Automated Security — SCUSA Inc.
Breville Europe — TDK Corp.
ICL — Telefusion
M.K. Electric — Do. A N-V
Memos — Wholesale Fittings
Racal Electronics

ENGINEERING (4)
Blackwood Hodge — Hawker Siddeley
Camseal Inc. — Senior Eng.

INDUSTRIALS (6)
Datastream — Orrlands Intl. SA
Fothergill Harvey — Rockware
Macpherson (D.) — Wills (George)

LEISURE (1)
Campari Internatl.

MOTORS (1)
Technofan SA

TEXTILES (1)
Corah

TRUSTS (1)
Utd. Computer Tech.

MINES (2)
East Rand Prop. — Kalbara Mining

RISES AND FALLS YESTERDAY

RISES AND FALLS YESTERDAY	Rises	Falls	Same
British Funds	3	84	12
Corpns. Dom. and Foreign Bonds	1	44	26
Industrials	124	453	806
Financial & Props.	34	245	239
Oils	8	48	58
Plantations	—	5	13
Mines	5	111	52
Others	47	65	62
Totals	225	1,059	1,268

LONDON TRADED OPTIONS

Option	Calls Oct.	Calls Jan.	Calls Apr.	Puts Oct.	Puts Jan.	Puts Apr.
Brit. Petroleum (*432)						
360	74	84	—	1½	3	—
390	44	56	66	1½	8	9
420	15	30	40	5	20	24
460	1½	11	24	30	40	48
Cons. Goldfields (*519)						
500	32	57	57	9		
550	5	55	45	40		
600	1½	15	25	87		
650	1½	5	12	137		
[illegible]						

Option	Calls Nov.	Calls Feb.	Calls May	Puts Nov.	Puts Feb.	Puts May
Imperial Group (*127)						
110	17	21	23	1	2	3
120	8	14	16	3	5	9
130	5	3	10	8	10	12
LASMO (*296)						
300	25	39	46	19	27	33
[illegible]						

Oct. 12. Total Contracts 2,483. Calls 1,499. Puts 984.
* Underlying security price.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
102¼	100⅛	Exch. 13½pc '83	100⅛	.....	13.45	9.11
100⅛	98¾	Exch. 10pc 1983	100⅛	−⅛	9.99	8.99
99¼	96¼	Funding 5½pc '82-84‡‡	99⅛	−⅛	5.55	8.53
101¼	99½	Exch. 11¼pc 1984	100½	.....	11.19	9.51
104⅛	100⅞	Exchequer 14pc 1984	102¼	+⅛	13.69	10.14
95¾	92½	Exch. 3pc 1984	95⅞	+⅛	3.13	9.59
102⅝	100⅛	Treasury 12pc 1984	101⅝	.....	11.79	9.91
107⅝	104⅝	Treasury 15pc 1985	105½	.....	14.22	10.46
107	101⅛	Exch. 12pc Cnv. '85	102⅛	−⅛	11.75	10.36
92⅞	88⅝	Treasury 3pc 1985	91¾	.....	3.27	8.59
102½	99⅞	Treasury 11½pc 1985	101⅝	−⅛	11.32	10.44
102	95	Treas 8¾pcCnv '85	97⅝	−⅛	8.96	10.08
103⅝	100⅝	Exch. 12¼pc 1985	102⅛	−⅛	11.92	10.70
102⅝	99⅛	Exch. 11¾pc '86	101⅛	−⅛	11.56	10.93
101⅛	97¼	Treas 10pc Cnv 1986	99⅛	−⅛	10.09	10.41
88½	85⅝	Treasury 3pc 1986	87¼	+⅛	3.44	8.56
101⅝	97⅛	Exch. 10½pc Cv '86	99⅛	.....	10.56	10.75
103⅝	100⅛	Treasury 12pc '86	102⅛	−⅛	11.74	11.01
95⅝	94⅛	Treasury 8½pc '84-86‡‡	95⅛	−⅛	8.98	10.56
114	103¼	Treas. 11¼pc '86 Cnv	106¼	−½	11.47	9.36
109⅛	105⅛	Exch. 14pc 1986	107⅛xd	.....	13.04	11.10
107¼	103⅝	Exch. 13¼pc 1987	105⅝	.....	12.57	11.19
98⅛	95⅞	Tr 10¼pc Cv '87	98	.....	10.45	10.95
84⅛	80¼	Exchequer 2½pc 1987	81⅞	+⅛	3.06	0.83
100⅛	95⅞	Exch. 10½pc 1987	98⅞	−⅛	10.67	11.06
93¼	88¼	Funding 6½pc '85-87‡‡	89⅛xd	−⅛	7.29	10.21
21⅛	20	Treas 10pc '87 (£20pd)	20	−⅛	10.30	11.01

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

LOANS—continued

Financial

Building Societies

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, H.P. & LEASING

BANKS—Continued

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCES

LEISURE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—continued

Australians

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
28½	11½	♥ACM 20c	17½	–1	—	—	—
52	32	Allstate Explo NL	38	–2	—	—	—
40	9	♥Australis Mng. NL	25½		—	—	—
25	11	Balmoral Resources	19		—	—	—
60	37	♥Black Hill Mins.	44	–1	—	—	—
85	51	♥Bond Corp.	70	–3	010c	♦	9.2
183	116	♥Bougainville 1 Kina	142	–2	03 21	1.2	1.4
372	204	♥CRA 50c	324	–0	103c	—	0.6
145	60	♥Carr Boyd 20c	70	–4	—	—	—
38	25	♥Central Kalgoorlie	36	–1	—	—	—
43	18	♥Central Pacific	29		—	—	—
9	2¼	♥Con. Gold Mng Areas	3½		—	—	—

Tins

Miscellaneous

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
170	55	Admiral Mines	55	–5	—	—	—
90	34	♥Anglo-Dominion	60		—	—	—
93	54	♥Anglo Utd. Dev.	72		—	—	—
172	60	♥Colby Res Corp.	250		—	—	—
530	315	Cons. Murch. 10c.	460		‡060c	1.9	‡
240	170	Hampton Areas 10p	220	–2	3.75	2.1	2.3
215	101	♥Highwood Res.	180	–10	—	—	—
£24⅞	£18	Homestake Mining $1	£19⅞	–⅛	Q20c	—	0.7
495	325	Northgate C$1	330		—	—	—
672	417	R.T.Z.	549	–16	t17.0	2.9	4.5
£147½	£108	Do 9¾% Un.Ln.'95-2000	£126	–2½	Q9½%	32.5	7.7
190	13	♥Sabina Inds C$1	85		—	—	—
		For Southwest Res see Oil & Gas					
750	312	♥Tara Exptn $1	660	–50	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Principal and interest tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ✣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(3).
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♣ Merger bid or reorganisation in progress.
- ✱ Not comparable.
- ✦ Same interim: reduced final and/or reduced earnings indicated.
- ✧ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ✮ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency

Albany Inv 20p	63	–1
Bdg'wtr. Est. 50p	285xd	
Craig & Rose £1	£10½	
Finlay Pkg. 5p	37xd	
Higsons Brew.	88	
Holt (Jos.) 25p	900	–10
I.O.M. Stm. £1	138	
Pearce (C. H.)	475	+25

IRISH

Nat. 9¾% 84/89	£87¾	
Fin. 13% 97/02	£95½	
Alliance Gas	88	
Arnott	205	
Carroll (P J)	105	
Concrete Prods.	75	
Heiton (Hldgs.)	14	–3
Irish Ropes	37	
Jacob	81	
T M G	95	
Unidare	74	

For Craig see Shipping

OPTIONS

3-month Call Rates

Industrials

Allied-Lyons	13
BOC Grp	28
B.S.R.	20
Babcock	15
Barclays Bank	45
Beecham	32
Blue Circle	45
Boots	16
Bowaters	22
Brit Aerospace	19
B.A.T.	14
Brown (J.)	3½
Burton Ord.	35
Cadburys	11
Courtaulds	18
Debenhams	14
Distillers	20
Dunlop	6
Eagle Star	45
F.N.F.C.	5½
Gen. Accident	42
Gen. Electric	18
Glaxo	75
Grand Met.	30
G.U.S. 'A'	50
Guardian	45
G.K.N.	16
Hawker Sidd	28
House of Fraser	20
I.C.I.	45
"Imps"	11
I.C.L.	7
Ladbroke	22
Legal & Gen.	45
Lex Service	32
Lloyds Bank	48
"Lots"	4
London Brick	10
Lucas Inds	15
"Mams"	14
Mrks. & Spncr	20
Midland Bank	40
N.E.I.	10
Nat. West. Bank	55
P & O Dfd	21
Plessey	19
Racal Elect.	20
R.H.M.	7
Rank Org. Ord.	20
Reed Intnl.	32
Sears	0
T.I.	13
Tesco	17
Thorn EMI	55
Trusthouse	16
Turner & Newall	7
Unilever	70
Utd. Drapery	22
Vickers	12
Woolworth Hld.	30

Property

Brit. Land	8½
Cap. Counties	14
Land Sec.	28
M.E.P.C.	20
Peachey	16
Samuel Props	11
Town & City	4

Oils

Brit. Petroleum	38
Burmah Oil	17
Charterhall	9
KCA	6
Premier	6
Shell	55
Tricentrol	22
Ultramar	65

Mines

Charter Cons.	28
Cons. Gold	58
Lonrho	9
Rio T. Zinc	62

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 35

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security

Authorised Units—continued

Equity & Law Un Tst Mngrs (a) (b) (c)
Amersham Rd, High Wycombe. 0494 33377

Euro Tst Acc	91.7	66.3xd	....	1.42

Robert Fleming & Co Ltd
8 Crosby Square, EC3A 6AN. 01-638 5858

AmExFd*	£272.77	278.83	....	0.62
JapExFd*	£162.75	167.97	....	1.10

Next subscription day Oct 17 1983
*Fleming American Property Unit Trust.
Latest issue price (15.8) US$10.567.
Units are issued on Feb 15, May, Aug, Nov.
*Fleming Property Unit Trust.
Latest issue price (29.9) £2.070.
Units are issued on March 25, June 24, Sept 29 & Dec 25.
*Unauthorised.

Guardian Royal Ex Unit Mngrs Ltd (a)
Royal Exchange EC3V 3LS. 01-638 2020.

Gilt & Fixed	112.1	116.0	−0.6	9.79
Growth Eq	96.9	004.3	−1.1	2.62
Guardhill	175.1	181.0	−1.7	3.56
Nth Amer	96.9	104.3	−0.9	2.11
Pacific	104.9	112.0	+0.3	0.76
Prop Share	93.7	100.0	−0.4	2.30
Smaller Cos	109.5	117.0	−0.7	1.73

H.B.L. Unit Trust Mngrs Ltd (a) (c) (g)
Premier NT Admin. 8 Rayleigh Rd. Hutton. Brentwood, Essex. 0277 227300

SmllerCosTst	50.4	53.1	−0.2	4.65
Nth Amer	29.9	57.4	+0.8	2.21
JapanFarTst	532	56.0	....	0.03
Scandinvn Tst	48.9	51.5	+0.3	1.46

Hexagon Services Ltd
4 Gt St Helens. London EC4P 3EP.

Austin Prs	109.3	115.1	....
Brewin Cap	63.2	87.0	−1.9
Brewin Intl	73.7	77.6	−0.1
Canada G'th	112.5	121.0	+0.5

Lawson Fund Managers Ltd (a) (c)
43 Charlotte Sq. Edinbgh 2. 031-225

CharlttsSqFd	47.9	49.9	....
Penny Sh Fd	14.0	18.0	....
Aust & Pac	0.E	9.3	....
High Yield	19.6	21.1	....
Do Acum	20.7	22.2	....

MGM Unit Managers Ltd
MGM House, Heene Road, Worthing. 01-623

High Inc	122.0	132.1xd	−0.0
(Accum Uts)	126.7	138.4xd	−0.5
UK Growth	120.0	120.0xd	−1.2
(AccumUts)	121.E	130.6xd	−1.2

MLA Unit Trust Management Ltd
Old Queen St, SW1A 9JG. 01-222

MLA Uts	182.6	191.7	....
MLA Int	29.3	30.7	....

The Money Market Trust
03 On Victoria St, EC4N 4ST. 01-230

Call Fund	—	—	....
7 Day Fund	—	—	....

†Unauthorised—Sterling Deposit Fund

Offshore and Overseas—continued

Actibonds Investment Fund SA
37 rue Notre Dame, Luxemb'rg. Tel 47571

Actibonds In	—	$20.23	+0.24	—

Alliance Capital Management Intl Inc
62 63 Queen St. London EC4. 01-248 0881
Alliance International Dollar Reserves
Distribution Sept 19-25 (0.001663)

Health Care Oct 5	$9.20	....	—
Technology Oct 5	$24.50	....	—
Quasar Oct 5	$61.85	....	—

Bamford Brandt Guernsey Mngt Ltd
PO Box 71, St Peter Port, Guernsey. 0481 26541

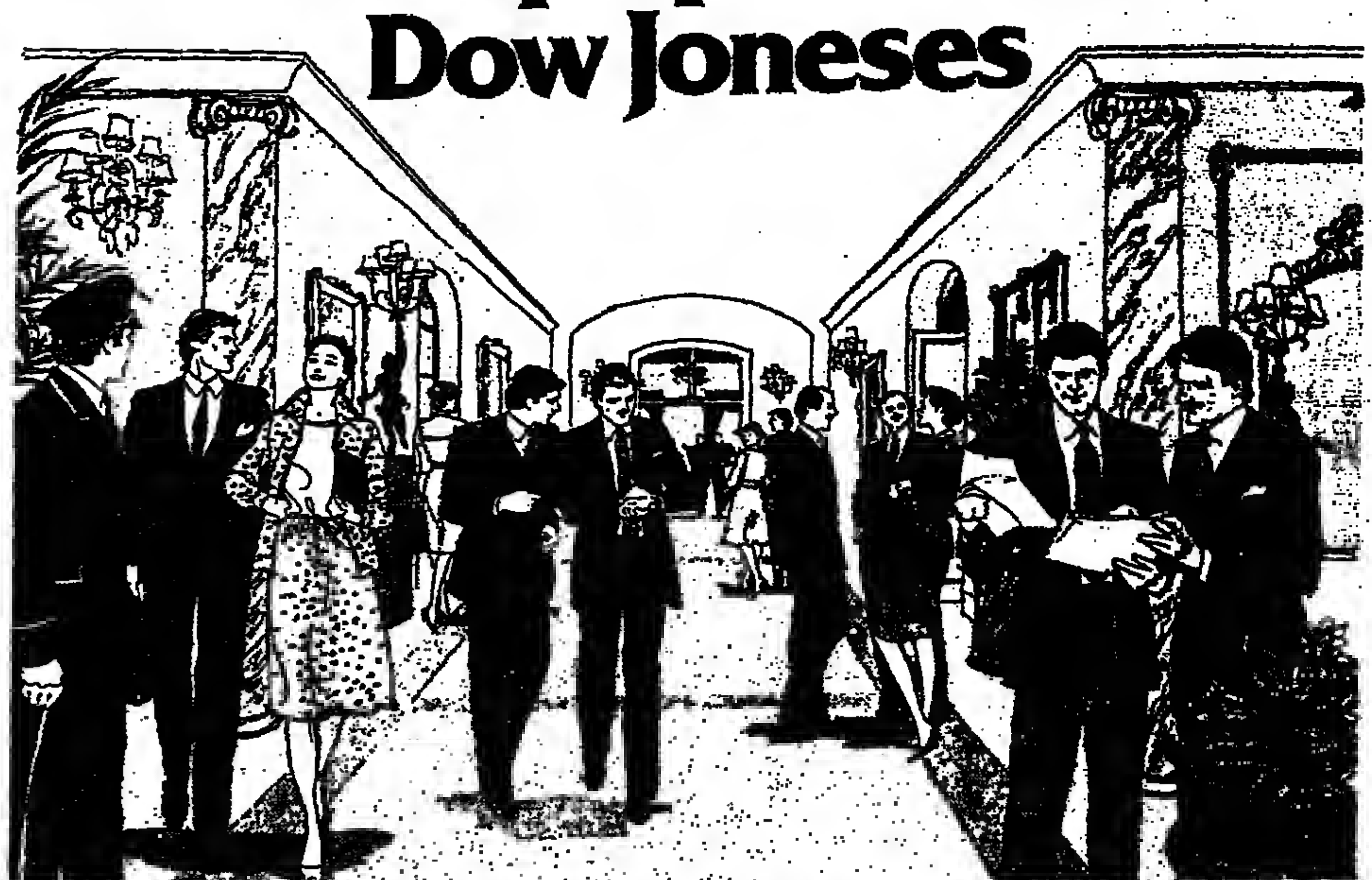
Jardine Fleming & Co Ltd
46th Floor, Connaught Centre, Hong Kong

Corr & Bd	$13.25	—	....
(Accum)	$16.13	—	....
Asean	39.40	—	....
(Accum)	39.40	—	....
American	39.38	—	....
(Accum)	39.38	—	....
Mgd Cur	$10.08	—	−0.04
(Accum)	$10.08	—	−0.04

Lazard Brothers & Co (Jersey) Ltd
PO Box 108, St Helier, Jersey, CI.

Insurances—continued

Where to go to keep up with the Dow Joneses



Isn't it time you got away from conventional conference centres and actually enjoyed your next get together? Come to lovely Jersey. It's a beautiful island, abroad but without the fuss and formalities. And the projectionists speak English.

Conference facilities? Excellent. The top hotels have lots of experience and everything you need for your sales meetings and seminars. While the conference centre at Fort Regent takes 2000 delegates.

Accommodation? Never better value. The sort of service and comfort you thought had gone for ever.

Food? Lots of very good restaurants, and unbeatable banqueting facilities in the hotels.

Remember, too, that Jersey is a VAT-free island and keeps its duties low. This has a magical effect on the bill for a cocktail party and the surprises extend to car hire, petrol, cigarettes and gift shopping.

You can fly people in from all over the UK and elsewhere in Europe.

For details of facility visits and full information ask the Conference Executive, Conference Bureau, States of Jersey Tourism, Weighbridge, St. Helier, Jersey, C.I. Tel: (0534) 78000. Telex: 4192223. Prestel: 51401.

Jersey
a great deal more

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC1 01-623 1288

Black Horse Man. Fd.		233.4	......	—
Managed Inv. Fd.	157.35	165.64	......	—
Property Fd.	151.07	159.03	......	—
Fixed Interest Fd.	147.14	154.89	......	—
Cash Fd.	135.95	143.11	......	—
Income Fd.	171.47	180.50	......	—
Extra Income Fd.	162.17	170.71	......	—
Worldwide Growth Fd.	231.42	243.82	......	—
Balanced Fd.	172.42	181.50	......	—
Smr Co's & Recv. Fd	203.25	213.95	......	—
Int. Technology Fd	270.97	285.24	......	—
Nth. Amer. & Gen. Fd.	161.38	170.14	......	—
Energy Int. Fd.	107.69	113.36	......	—
Pacific Basin Fund	132.41	139.38	......	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	112.4	118.3	......	—
Property	106.9	112.5	......	—
Equity	114.6	120.6	......	—
International	129.0	135.8	......	—
Fixed Interest	101.7	107.1	......	—
Deposit	99.1	104.3	......	—
Managed Pen. Cap.	113.2	119.2	......	—
Property Pens. Cap.	105.9	111.5	......	—
Equity Pens. Cap.	109.5	115.3	......	—
Intnl. Pens. Cap.	135.6	142.7	......	—
Fixed Int. Pens. Cap.	99.5	104.7	......	—
Deposit Pens. Cap.	97.1	102.3	......	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth Sept 29		94.5	......	—
Retmt. Fed. Aug 6		255.4	......	—
Managed Pen Fund	180.4	189.9	......	—
Property Pen Fund	133.7	139.7	......	—
Index Linkd Pen Fund	111.1	117.0	......	—
Managed	120.6	126.9	-0.8	—
Property	104.0	109.5	......	—
Gilt and Fixed Interest	104.6	110.2	-0.6	—
Index-Linked	98.6	103.8	+0.5	—

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ 01-628 8131

G.T. Plan Bond Fund	122.3	128.8	-0.7	—
GT Pln High Yld Fnd.	115.9	122.0	......	—
GT Plan Far East Fnd	114.7	120.8	......	—
GT Pln N Am Fund	143.2	150.8	......	—
GT Pln UK&G. E. Fnd	130.6	137.5	......	—
GT Pln Wrldwde Fnd.	135.7	142.9	......	—
GT Pension Bnd Fnd.	132.0	139.0	-0.5	—
GT Pen High Yld Fd.	131.7	138.7	......	—
GT Pen Far East Fd	139.6	147.0	......	—
GT Pen N. Am. Fd.	210.7	221.8	......	—
GT Pen UK & G.E. Fd.	151.1	159.1	......	—
GT Pen Worldwide Fd.	144.8	152.5	......	—

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond	166.9	175.7	......	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		249.5	......	—
Portfolio Fd. Init.		206.7	......	—
Portfolio Fd. Cap.		238.3	......	—
Investment & uts	249.2	262.4	......	—

Gresham Unit Ass. Ltd.
2-6, Prince of Wales Rd. B'mouth. 0202 767655

Managed Fd.	272.5	286.9	......	—
Money Fd	154.9	163.1	......	—
Equity Fd	232.9	245.4	......	—
Fixed Int. Fd.	117.1	123.4	......	—
Property Fd	171.0	180.2	......	—
Managed Pen. Fd.	247.8	261.1	......	—
Equity Pension Fd.	186.6	196.4	......	—
Fixed Int. Pen. Fd.	163.8	172.4	......	—
High Yield Pen. Fd.	161.5	170.2	......	—
Money Pension Fd.	127.5	134.2	......	—
Property Pension Fd.	126.9	133.7	......	—

Gresham/Framlington

American & Gen. Fd.	265.1	279.3	-1.0	—
Income Fd	181.1	190.8	......	—

Lloyds Life Assurance—cont.
Carbhira Funds—Series A

London A'dam & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF.
'Asset Builder'

London Indemnity & Gnl. Ins. Co. Ltd.
18-20, The Forbury, Reading

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA.

Property Growth Assur. Co. Ltd.

Standard Life Assurance Company

Sun Alliance Insurance Group

Sun Life of Canada (UK) Ltd.

Sun Life Unit Assurance Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Windsor Life Assur. Co. Ltd.

OFFSHORE AND OVERSEAS

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bridge Management Ltd.

Britannia Intl. Investment Mngmt. Ltd.

Butterfield Management Co. Ltd.

Capital International Fund S.A.

Charterhouse Japhet

Hambros Fd. Mgrs. (C.I.) Ltd.

Henderson Baring Group

Hill Samuel Investment Mgmt. Intnl.

Richmond Life Ass. Ltd.

Rothschild Asset Management (C.I.)

Royal Trust Intl. Fd. Mgt. Ltd.

Save & Prosper International

Schroder Mngt. Services (Jersey) Ltd.

Tyndall Group

Warburg Invest. Mngt. Jrsy. Ltd.

NOTES

COMMODITIES AND AGRICULTURE

Kangaroo 'passed off as prime beef'

KANGAROO, CAMEL and donkey meat is being passed as prime beef and pork, a Euro-MP claimed yesterday.

Mr Brian Key, Labour MEP for Yorkshire South, is demanding a ban on meat imports to Britain from other EEC countries until there are stronger safeguards for the public.

Mr Key's allegations follow a three-month inquiry which he started after receiving "horrific stories" about the quality and safety of some meat on sale.

Mr Key said one story concerned 1m kgs of donkey, mule and horse from third world countries.

In another, 250,000 kgs of kangaroo meat was sold in Germany as beef, pork or venison.

He claimed that Dutch companies were involved in making sausages from 180,000 kgs of kangaroo infected with salmonella.

Mr Key, who is to present his findings to a European Parliamentary committee meeting in Strasbourg on Friday, said: "Racketeers are making a fortune at the expense of ordinary shoppers who unknowingly buy this disgusting meat."

"Health checks on this meat must be tightened up. In the interests of public health in Britain, I would like to see the government impose an import ban until there are proper guarantees."

Colin Chapman writes from Canberra: The Australian Government has announced reforms in the way the country's meat industry is run. The announcement follows a series of meat substitution scandals.

The Australian Meat and Livestock Corporation is to become more accountable, with producer control of the board ended.

U.S. steps up export credit guarantees

BY NANCY DUNNE IN WASHINGTON

THE U.S. is preparing for fierce competition among grains producers next year with an expanded programme of export credit guarantees.

However, the U.S. Department of Agriculture (USDA) is expected to reduce the amount it has been spending on subsidised "blended credit."

About 18 per cent of U.S. agricultural exports were sold with the backing of Government credit in fiscal 1983, up from 7 per cent in 1982. Although farm exports fell 12 per cent last year, USDA officials believe the drop would have been worse without Government credit programmes.

Last year, the Government authorised nearly $4.3bn in export credit guarantees and $217m for blended credit. Unless Congress steps in with new funding, the department is expected to pay more than $175m for credit subsidies this year.

However, the department's intention to expand the traditionally low-cost, low risk credit guarantee programme is receiving careful scrutiny at the Office of Management and Budget. In the past three years, the U.S. Government has had to pay out about $800m to cover defaults by Poland, Romania and Sudan.

The USDA also wants to increase funding for its PL-480 aid programme next year, although higher commodity prices will probably result in lower sales volume. Initially, USDA has programmed $738.5m for PL-480 sales, with $52.5m left unallocated for meeting unforeseen needs. The largest aid recipients are expected to be Egypt, $250m; Bangladesh, $65m; Pakistan, $50m; and Sudan, $50m.

● The Soviet grain harvest has run into serious problems in its closing stages and some of the crop has been lost. The Government daily Izvestia reported that snow and frosts had hit growing areas in Siberia before farmers had been able to cut the crop and that over 3m hectares of wheat and barley were affected.

Soyaoil deadline extended

SAO PAULO — The Foreign Trade Department of the Banco do Brasil, Cacex, extended by 10 days a deadline for industries to withdraw from soyaoil export contracts they may not be able to fulfil, Cacex said.

The original deadline was October 10, but Cacex has extended the period until October 20 at the request of the industries.

Any industry which sought to withdraw from an export contract after the expiry of the period would be subject to a fine of 20 per cent of the value of that contract.

Cacex halted all soyabean and products export registrations for the 1983 crop in mid-September because of concern that the pace of external sales was threatening to leave the domestic market with insufficient supplies.

Late last month, Cacex director Carlos Viacava said the total volume of export registrations for soyaoil, including that part already shipped, totalled around 950,000 tonnes and that Brazil had sufficient supplies to meet these commitments.

But some people in the industry estimate the amount available for export at only 850,000 tonnes and point to the $300-plus differential between the internal and external price

Bangladesh jute output unlikely to meet target

BANGLADESH jute production for 1983/84 is likely to fall well below the target of 6m bales of 181 kg each. Current production estimates are now 4.8m bales, Reuter reports.

The agriculture department blamed the fall on excessive rains during the sowing season and reduced acreage—only 1.2m acres were planted, against a target of 1.5m acres.

India's jute industry also has problems, according to a survey in the Economic Times. It cites shortages of fibre and cash, declining exports, labour indiscipline and other problems.

● THE FARMERS' Meat Company, Europe's largest meat processor, has sold its Northern Ireland plant at Newry to the Anglo-Irish Meat Company for £680,000.

● GUADELOUPE'S Agriculture Chamber has called on the Government to consider measures to rescue the island's banana industry from severe losses.

● U.S. International trade negotiator Bill Brock has ordered an investigation into Taiwan's rise export subsidies.

● NORSK HYDRO (UK) has completed the purchase of the fish farming interests of Fitch Lovell for about £1.7m.

● THE EEC's two-year ban on seal imports has hurt relations between Europe and Canada. The Canadian fisheries minister said the import ban will require "continuing action" but he did not specify what form this would take.

● ALMOST the entire British acorn crop has been destroyed by insects from France. The insect is threatening the future of British oaks and damaging feeding prospects for squirrels, woodmice, jays and pigeons, says Dr Michael Crawley of Imperial College.

Grapefruit juice avoids a crushing decline

Our Correspondent analyses a successful sales campaign

THIS YEAR has seen a successful rescue operation to boost flagging sales of grapefruit juice.

In 1980, grapefruit juice, mostly from Israel, comprised 20 per cent of all fruit juices sold in the UK. But its movement was static in a total market that had begun to grow—thanks largely to carton packaging—by 20-25 per cent a year.

Bottles and cans accounted for 80 per cent of 1977 fruit juice purchases, with cartons taking only 17 per cent. Today, cartons contain more than three-quarters of all fruit juice sold in Britain, with bottles and cans correspondingly relegated.

As the popularity of the juice declined, whole grapefruit itself was also losing favour. Israeli growers were resigning themselves to rooting out thousands of trees and replacing them with something more saleable.

The Citrus Products Board of Israel, representing 21 processors, sought help from Mallerman, Summerfield & Partners, a London advertising agency, which has conducted publicity for other Israeli products.

The agency found that grapefruit juice was not being promoted as heavily as other fruits.

Its public image was of being nutritious and healthy rather than enjoyable. It was also considered an adult rather than a "family" drink. A further stigma survived from the days when grapefruit juice for breakfast at cheap hotels and restaurants meant downing a powdery yellow muck.

However, the task was not hopeless. A sample of shoppers were asked whether they had bought grapefruit juice in the previous three months—and 30 per cent of them had. The need was to persuade them to do so more often.

Moreover, the potential of the British fruit juice market looked enormous. In 1980, Britons consumed an average of 5½ litres of fruit juice a head, in 1981 just over seven litres and in 1982 ten litres. By comparison, U.S. consumption was 24 litres, in West Germany it was 20 and in Holland 18.

The British fruit juice market grew in volume from 280m litres in 1977 to an estimated 520m litres this year, and in value from £113m to £250m over the same period. If American and other European levels could be achieved, the market could double to £500m over the next three years.

Even if Israeli grapefruit juice could regain the 20 per cent share of the total juice market it had enjoyed before the rot set in, retail sales worth £50m were there for the taking.

On the strength of such prospects, earlier this year a £2m TV and radio advertising campaign was launched, supported by a further £400,000 of trade promotion with emphasis on the "refreshing new taste" of grapefruit in cartons, and testimonials from nutritionists.

As the campaign bit, so did British consumers. In the first quarter of 1983, before the programme began, grapefruit's share continued to sink along with the volume of imports. In upwards in the first revival for years.

Sales of all fruit juices grew by 15 per cent over the period but those of grapefruit juice rose by 18 per cent. The increase in areas covered by the television campaign was more than twice that in non-TV areas. Scotland astonished the campaign's authors with a 38 per cent jump in volume consumption. Israel has now sold ahead all available stock.

The promoters now hope that the 20 per cent market share on which their plans were based might have been an underestimate, and that the next three years could see British outlets worth considerably more than £50m, with a total disposal of more than twice that when existing business is considered.

A peculiarity of the success that has accompanied the effort to resuscitate grapefruit juice is that retail price as a factor has been virtually irrelevant. Being a familiar product priced in line with alternatives, it has not needed to cut prices to attract buyers. It has been a matter of image, and that, it seems, is being transformed.

Sugar price slide continues

BY RICHARD MOONEY

WORLD SUGAR prices fell back further yesterday in a continued reaction against the recent upsurge.

On Monday morning the London daily raw sugar price had been fixed at £170 a tonne, up £14 since the end of last month, but the price was trimmed by £3 on Tuesday and fell another £7 yesterday to £160 a tonne.

On the London futures market the March position added £3.35 to Tuesday's £3.80 fall at £184.25 a tonne.

In the absence of fresh fundamental news traders saw the decline as a technical correction following last week's rise. The market appeared unaffected by reports that Peru wanted to buy about 60,000 tonnes of white sugar, they added.

The result of yesterday's weekly sugar export tender in Brussels was broadly in line with expectations and had no impact on the market. The EEC Commission granted export licences on 49,000 tonnes of white sugar and 10,000 tonnes of raws. Maximum export rebates were set at 27.928 European currency units per 100 kilos for whites and 25.69 ECUs for raws.

In East Berlin, Western experts forecast that East Germany's 1983 sugar beet crop would be no better and possibly worse than last year's 7.19m tonnes.

They said the main culprit was the exceptionally dry summer.

India to join bauxite group

BY CANUTE JAMES IN KINGSTON

INDIA IS to become a member of the International Bauxite Association (IBA), the producers organisation based in Kingston.

The association said that Indian membership had already been approved by the cabinet in New Delhi.

India is expected to "take its seat with the other ten members of the association when all "procedural requirements" are completed, the IBA said.

India's admission will not, however, expand the membership of the IBA. It will replace Haiti, which helped to found the organisation in 1974. Haiti has lost its basis for membership as its bauxite mines have been closed by the Reynolds Metals Company.

India has the capacity for producing 2.5m tonnes of bauxite annually, and last year mined 1.75m tonnes.

● Alcoa Minerals of Jamaica, a subsidiary of the U.S. group, has denied that it received a promise of tax concessions from the Jamaican Government as an inducement to reopen a part of its local refinery which has been mothballed since 1981.

Alcoa Minerals said there was no deal on reducing the company's payments of a controversial bauxite production levy, which is due for renegotiation.

PRICE CHANGES

In tonnes unless stated otherwise	Oct. 12 1983	+ or —	Month ago
Metals			
Aluminium	£1050	....	£1050
Free Mkt.	$1600/1630	—20	$1650/660
Copper			
Cash h grade	£962.5	—8	£1058.5
3 mths	£985.75	—7.75	£1087.25
Cash Cathode	£935	—11	£1037
3 months	£960.25	—19.75	£1056.5
Gold troy oz	$394.875	—3.75	$408.875
Lead Cash	£275	—6	£266.75
3 months	£284.25	—6.25	£276.625
Nickel	£4646.34	....	£4646.34
Free mkt	219/235c	—3	220/250c
Palladium	$144.75	+0.25	$150.75
Platinum	£266.15	—2.65	£286.80
Quicksilver	$320/330	....	$290/300
Silver troy oz	681.05p	—17.05	787.20p
3 mths	696.30p	—17.60	805.40p
Tin cash	£8516.5	+1.5	£8430
3 months	£8605.5	+0.5	£8562.5
Tungsten	$77.32	....	$74.81
Wolfram 22.04 lb	$79/83	....	$78/82
Zinc Cash	£560	+3.0	£544
3 mths	£575.25	+3	£559.75
Producers	$880	....	$880

	Oct. 12 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$805x	—5	$990
Groundnut	£1090x	+10	$1045
Linseed Crude	‡	....	£530.30
Palm Malayan	$670u	....	$655
Seeds			
Copra Phil	$570x	....	$646
Soyabean (U.S.)	$338.8	....	‡
Grains			
Barley Fut. Jan	£119.20	—0.25	£118.60
Maize	£144.00	....	£145.00
Wheat Fut. Jan	£191.85	—0.85	£193.25
No2 Hard Wint	‡	....	‡
Other commodities			
Cocoa ship't*	£1495	—32	£1487
Fut. March	£1445.5	—19.5	£1411.5
Coffee Ft. Jan.	£1898	+0.5	£1710.5
Cotton A. Index	87.45c	—0.1	91.80c
Gas Oil. Nov.	$250.75	—0.25	$250
Rubber kilo	77.85p	+1.5	74.5p
Sugar (Raw)	£160x	—7	£157
Woolt'ps 64s	400p kilo	....	395p kilo

‡ Unquoted. w Nov. u Dec. x Oct-Nov. † Per 10 lb flask. * Ghana cocoa. n Nominal.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.35-28.60	—
Iranian Light	28.00-28.20	—
Arabian Heavy	26.35-26.60	—
North Sea (Forties)	29.05-29.50	—0.05
North Sea (Brent)	29.00-29.90	—0.05
African Bonny Li'ht	29.80-30.05	+0.02
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	284-289	+1.0
Gas oil	244-250	—0.0
Heavy fuel oil	168-170	—

GAS OIL FUTURES

After opening about $2.00 lower, the market moved up to unchanged on light buying in thin conditions, staying at these levels on nervousness about the Middle East. Prices dropped back during the afternoon only to meet more nervous short-covering towards the close, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Oct.	246.50	+0.25	247.25-46.25
Nov.	250.70	—0.25	251.25-49.25
Dec.	253.70	—0.50	254.50-52.50
Jan	253.00	—0.50	254.75-52.75
Feb	251.00	—0.50	251.50-51.50
Mar.	247.00	—0.50	247.75-47.00
April	246.75	+0.75	244.50-44.00
May	244.50	+1.00	—
June	240.50	—	—

Turnover: 1,774 (2,693) lots of 100 tonnes.

GOLD MARKETS

Gold fell $3¾ an ounce from Tuesday's close in the London bullion market yesterday to finish at $394½-395½. The metal opened at $396½-397 and traded between a high of $397½-397¾ and a low of $392½-392¾. There was a brief rally from opening levels on oil price fears but buying interest soon evaporated until the opening of New York. This prompted renewed short covering in reaction to the growing conflict between Iran and Iraq.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar at the fixing was $396.20 from $401.

In Frankfurt the 12½ kilo bar was fixed at DM 33,260 per kilo ($395.99 per ounce) against DM 33,400 ($403.03) previously and closed at $394½-395 from $398½-399.

In Paris the 12½ kilo bar was fixed at FFr 102,000 per kilo ($397.11 per ounce) in the afternoon compared with FFr 102,000 ($397.37) in the morning and FFr 102,400 ($402.88) on Tuesday afternoon.

In Zurich gold finished at $394-397 from $397-400.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
Oct.	395.00-96.0	—5.00	—
Dec.	399.70-99.8	—4.45	402.10-97.5
Feb.	406.00-06.4	—4.85	408.00-98.0
April	412.00-13.0	—4.45	—
June	419.00-21.0	—3.65	—
Aug.	425.50-25.5	—2.25	—

Turnover: 687 (497) lots of 100 troy ounces.

	Oct. 12		Oct. 11	
Gold Bullion (fine ounce)				
Close	$394½-395¼	(£263⅝-263⅞)	$398¼-399	(£264-264½)
Opening	$396¼-397	(£263⅛-264)	$401-401¼	(£264⅛-265)
Morning fixing	$396.75	(£263.001)	$400.50	(£264.818)
Afternoon fixing	$394.75	(£262.816)	$399	(£264.064)

Gold Coins Oct. 12					
Krugrnd	$407½-408	(£271¼-271½)	King Sov	$94½-96	(£63-64)
½ Krg	$210¼-211	(£140¼-140½)	Victoria Sov	$94½-96	(£63-64)
¼ Krg	$107¼-108	(£71¼-71¾)	French 20s	$81¼-83	(£54-54¼)
1/10 Krug	$43½-44	(£29-29¼)	100 pesos Mex	$479-481	(£318¾-320)
Mapleleaf	$407¼-407¾	(£271-271¼)	100 Cor. Aust	$380-389	(£255¼-258¾)
New Sov	$93¼-94	(£62-62½)	$20 Eagles	$590-595	(£392½-395¾)
½ New Sov	$55½-56¼	(£37-37½)			

EUROPEAN MARKETS

ROTTERDAM, October 12.

Wheat—(U.S.$ per tonne): U.S. two red winter Oct 155.50, Nov 157.50, Dec 159, Jan 161. U.S. northern spring 14 per cent protein Oct 184.50, Nov 185, Dec 186.50, Jan 191. U.S. three amber durum Oct 198, Nov 200, Nov 20-Dec 20 202, Dec 202, April-May 211. Canadian western spring Oct 20-Nov 206, Nov 15-Dec 15 211.

Maize—(U.S.$ per tonne): U.S. three yellow afloat 162, Oct 162, Nov 160, Dec 161, Jan-March 162, April-June 163 sellers. Argentine Oct 172, Mid Oct-mid Nov 172 sellers.

Soyabeans—(U.S.$ per tonne): U.S. two yellow gulfports Oct 332.50, Nov 332.50, Dec 335, Jan 339.50, Feb 343.75, March 346.75, April 345.80, May 346.50, Nov 268.40, Dec 273, Jan 280.50 sellers. Argentine Oct 327.70 sellers.

Soyameal—(U.S.$ per tonne): 44 per cent Oct 264, Nov 270, Dec 275, Nov-March 279 sellers. Pellets Brazil afloat 282, Oct 287, Nov 295, Dec 298.50, April-Sept 281.50 sellers. Pellets Argentine afloat 267, Oct 274, Nov 278, Dec 282 sellers.

BRITISH COMMODITY MARKETS

BASE METALS

BASE-METAL PRICES lost further ground on the London Metal Exchange. Weakness in overnight U.S. markets coupled with short selling saw forward COPPER dip from £990 to £984 in initial trading. Thereafter the market staged a rally with three months material edging ahead to around £994 on the late kerb. The early decline in copper unsettled LEAD which fell away from £291.5 to £284 before a close of £285.75. ZINC was finally £576.5, ALUMINIUM £1087.5 and NICKEL £3205.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grde	£	£	£	£
Cash	962-3	—16	962-3	—8
3 months	985-6	—16.2	985.5-6	—7.75
Settlem't	963	—16	—	......
Cathodes				
Cash	930-.5	—16.7	934-6	—11
3 months	960-.5	—16	960-.5	—19.7
Settlem't	930.0	—17.5	—	......
U.S. prod	—	......	*73.5-7	......

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £963.50, three months £989, 88.50, 88, 86, 87, 86.50, 86, 85.50. Cathodes: Cash £937, 38. Kerb: Higher Grade: Three months £985, 84.50. Afternoon: Higher Grade: Three months £985, 84.50, 85, 85.50, 86. Kerb: Higher Grade: Three months £987, 88.50, 87, 88, 89, 90, 89, 89.50. Turnover 33,200 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grde	£	£	£	£
Cash	8665-70	—17.5	8640-60	—30
3 months	8655-65	+12.5	8650-5	—9.5
Settlem't	8670	—20	—	......
Standard				
Cash	8510-5	+5.0	8515-8	+1.5
3 months	8605-10	+10	8605-6	+.5
Settlem't	8515	+50	—	......
Straits E.	$530.15	+0.10	—	......
New York	—			

Tin—Morning: Standard: Cash £8515, three months £8610, 15. High Grade: Cash £8650, three months £8650. Kerb: Standard: Three months £8605. High Grade: Three months £8655. Afternoon: Standard: Cash £8525, three months £8610, 05, 05. High Grade: Three months £8650. Kerb: Standard: Three months £8605. Turnover 5,765 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	278.5-9	—8.75	270.5-5.5	—6
3 months	288.25-.5	—3.97	284-.5	—6.25
Settlem't	279	—4	—	......
U.S. Spot	—	......	*22-5	......

Lead—Morning: Three months £290.50, 91, 90.50, 90, 88, 88.50, 88, 88.25. Kerb: Three months £288, 87, 86, 85.50. Afternoon: Three months £286, 86.50, 87, 85.50, 85, 84. Kerb: Three months £286, 85.50, 86. Turnover 8,250 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	563-4	......	559.5-60.5	+2.5
3 months	577.5-8	......	575-.5	+3
Settlem't	564	......	—	......
Primw'ts	—	......	*46-.75	......

Zinc—Morning: Three months £575, 70, 77, 77.50, 78. Kerb: Three months £575. Afternoon: Three months £575.50, 75, 75.50, 74.50, 75, 75.50. Kerb: Three months £575.50, 76, 76.50, 77. Turnover 7,600 tonnes.

ALUMINIUM

Aluminium	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	1064-5	—18	1064-5	—12
3 months	1081.5-2	—18	1082-.5	—12.2

Aluminium—Morning: Three months £1085, 85.50, 85, 85, 84.50, 84, 83, 81, 82, 81.50. Kerb: Three months £1080, 80, 79. Afternoon: Three months £1079.50, 80, 81, 82, 81.50, 83, 82.50, 83, 84, 83, 82.50, 82. Kerb: Three months £1084, 84.50, 85, 86, 87, 88. Turnover 16,225 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	3110-20	—11	3115-20	—20
3 months	3185-90	—14	3190.0	—20

Nickel—Morning: Three months £3190, 85, 80, 85, 90. Kerb: Three months £3185, 90, 75. Afternoon: Three months £3180, 85, 90. Kerb: Three months £3190, 85. Turnover 828 tonnes.

SILVER

Silver was fixed 17.05p an ounce lower for spot delivery in the London bullion market at 681.05p. U.S. equivalents of the fixing levels were: spot $10.202, down 36c; three-month $10.443, down 36.8c; six-month $10.688, down 37.2c; and 12-month $11.205, down 38.2c. The metal opened at 682-684½p ($10.28-10.30) and closed at 679-681½p ($10.20-10.24).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	681.05p	—17.0	678p	—14
3 months	696.30p	—17.6	694.75p	—14.7
6 months	711.50p	—17.8	—	......
12 months	744.50p	—18.2	—	......

LME—Turnover 84 (48) lots 10,000 ozs. Morning: Three months 698.5, 99.0, 95.0, 93.5, 94.0, 94.2, 94.0, 93.5. Kerb: Three months 694.5, 93.0. Afternoon: Three months 694.8, 94.0, 95.0. Kerb: Three months 696.0, 97.0, 97.5, 97.8, 96.5, 97.0.

COCOA

Following a steady opening futures reverted to the trend of the last few days and lost ground in active trading, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Dec.	1439-40	—21.5	1475-30
March	1445-46	—10.5	1472-35
May	1459-61	—7.5	1483-46
July	1475-76	—6.5	1487-70
Sept	1486-87	—7.0	1490-85
Dec	1499-02	—5.0	1515-497
March	1014-10	—5.0	—

Sales: 4,934 (2,197) lots of 10 tonnes. ICCO—Indicator prices (U.S. cents per pound). Daily price for Oct 12: 95.56 (96.38); five-day average for Oct 13: 96.88 (97.13).

COFFEE

Despite a slightly weaker opening trade support influenced a gradual rise in moderate volume, reports Drexel Burnham Lambert. The gains were extended during the afternoon as commission house buying fuelled a steady advance but towards the close prices drifted from the highs on light trade selling and dealer profit-taking.

COFFEE	Yest'day's Close	+ or —	Business Done
Nov.	1906-09	+10.5	1915-880
January	1891-93	+9.5	1902-874
March	1780-85	+8.0	1795-71
May	1730-33	+3.5	1740-25
July	1687-88	—6.0	1702-686
Sept	1062-64	—7.5	1680-65
Nov.	1656-59	—4.0	1650

Sales: 3,227 (5,586) lots of 5 tonnes. ICO indicator prices (U.S. cents per pound) for Oct 11: Comp. daily 1979 136.04 (135.83); 15-day average 131.12 (130.57).

GRAINS

Business done—Wheat: Nov 118.75-8.20, Jan 122.30-1.70, March 125.00-4.60, May 127.90-7.40, July 130.70-30.40, Sept 110.00-7.50. Sales: 424 lots of 100 tonnes. Barley: Nov 119.20-5.50, Jan 119.20-8.75, March 122.00-1.85, May 124.00-3.50, Sept 114.00 only. Sales: 153 lots of 100 tonnes.

WHEAT Mnth	Yestrday's close	+ or —	BARLEY Yest'day's close	+ or —
Nov.	118.35	—1.00	116.85	—0.19
Jan	121.85	—0.55	119.20	—0.25
Mar.	124.00	—0.35	122.00	—0.15
May	107.50	—0.30	123.95	—0.05
July	130.45	—0.30	—	
Sept.	117.25	—1.00	113.50	—1.00

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1 14 per cent Oct 133.50, Nov 134.50, Dec 134.75 transhipment East Coast. English Feed fob Nov 125, Jan 125.50, Jan-Mar 177 East Coast. Maize: French first half Oct 144, second half Oct 144.50, Nov 145 transhipment East Coast. Barley: English Feed fob Oct 120, Nov 121.50 East Coast. Rest unquoted.

POTATOES

The market was quiet, opening slightly easier and slipping to £228 basis April before light buying checked the fall, reports Coley and Harper.

Month	Yestday's close	Previous close	Business Done
	£ per tonne		
Nov.	153.50	155.00	156.00-153.0
Feb.	190.30	193.00	192.00-190.5
April	229.90	233.30	233.00-228.0
May	234.50	237.50	238.00-233.5
Nov.	81.00	81.00	81.00

Sales: 653 (940) lots of 40 tonnes.

RUBBER

The physical market opened slightly steadier, attracted little interest throughout the day and closed quiet and uncertain, reported Lewis and Peat. The Kuala Lumpur September fob price for RSS No. 1 was 255.5 (254.75) cents a kg and for SMR20 210.5 (210.0).

No. 1 R.S.S.	Yest'day's close	Previous close	Business Done
	£ per tonne		
Nov.	755-760	758-771	—
Dec.	755-760	763-771	—
Jan-Mch	779-781	789-771	782-770
Apl-Jne	800-801	788-790	801-796
Jly-Sept	814-810	803-804	810
Oct-Dec	825-833	817-821	—
Jan-Mch	844-848	831-836	—
Apl-Jne	860-865	847-852	—
Jly-Sept	875-884	863-868	826

Sales: 161 (111) lots of 15 tonnes, nil (nil) lots of 5 tonnes.

Physical closing prices (buyers) were Spot 77.25p (75.75p); Nov 78.00p (77.25); Dec 78.50p (77.75p).

SOYABEAN MEAL

The market opened unchanged, reports T. G. Roddick. Prices eased on shipper to shipper trade in moderate volume.

	Yestday's close	+ or —	Business Done
	£ per tonne		
October	—	—	—
Dec.	145.20-45.50	—0.70	155.00-55.50
Feb.	151.50-52.00	—0.50	152.50-51.50
April	151.50-52.50	—1.55	152.50-52.00
June	150.00-51.00	—0.25	151.50
August	152.00-52.50	+1.25	151.50
October	152.00-55.00	+0.25	—

Sales: 253 (119) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £160.00 (£167.00) a tonne for Oct-Nov shipment. White sugar £180.00 (£185.00).

The market initially slipped from overnight levels but there was no follow-through and the losses were recovered by the close, reports C. Czarnikow.

No. 4 Contract	Yest'day's close	Previous close	Business done
	£ per tonne		
Dec.	178.85-78.25	180.00-80.25	180.25-78.00
Mar.	184.25	187.50	188.50-82.85
May	189.50-90.00	192.50-92.75	195.00-89.50

Sales: 3,559 (3,576) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £269.50 (£277.25) a tonne for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean ports). Prices for Oct 11: Daily price 10.20 (10.35); 15-day average 9.81 (9.53).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 384 tonnes. Orders were more extensive and business remained brisk. Useful contracts were arranged in Middle Eastern account, while African qualities were also sought on a broader scale.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Oct 556.0, 557.0, 556.0; Dec 562.0, 563.0, 562.0-561.0; March 581.5, 583.0, 582.5-581.0; May 593.0, 595.0, 594.0-593.0; July 608.0, 610.0, 610.0; Oct 603.0, 604.0, 604.0; Dec 613.0, 614.0, 614.0; March 623.0, 624.0, untraded. Sales: 58.

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, business). New Zealand cents per kg. Oct unquoted, 430; Dec 419, 424, 417; Jan 420, 424, nil; March 422, 424, 423-422; May 433, 434, 433-429; Aug 447, 450, 447-446; Oct 453, 455, 453; Dec 456, 460, 456; Jan 460, 463, 460; March 472, 474, nil. Sales: 58.

MEAT/FISH

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle, 99.43p per kg lw (+0.47). GB—Sheep, 136.70p per kg est dcw (+13.66). GB—Pigs, 74.28p per kg lw (+0.54).

SMITHFIELD—Pence per pound. Beef—Scotch killed sides 80.0-85.0. Veal—Dutch hinds and ends 144.0-148.0. Lamb—English small 62.0-65.0, medium 60.0-62.0; Imported: New Zealand PL 59.0-60.0, PX 56.5-57.0. Pork—English under 100 lb 50.0-55.5, English 100-120 lb 48.0-53.0, English 120-160 lb 42.0-45.5.

English produce: Apples—per pound: Bramley new season 0.10-0.14, Howgate 0.09, Worcester Pearmain 0.16-0.22, Cox's 0.14-0.26, Russet 0.18-0.20, Charles Ross 0.12-0.14. Pears—per pound, Comice 0.14-0.20, Conference 0.12-0.18. Strawberries—8 oz 0.35-0.50 according to condition. Raspberries—4 oz punnets 0.40-0.70 according to quality. New potatoes—4.00-5.00. Mushrooms—per pound, open 0.60-0.70, closed 0.80-1.00. Lettuce—per tray round 0.50-1.20, Webb's 2.00-2.30, Cos 1.80-2.00, Iceberg per doz 8.00. Onions 2.20—per 55-lb 3.80-4.00. Cabbages—per 25-lb Primo 2.80-3.00. Greens—per 28-lb, Kent 2.00-2.90. Cauliflowers—12's Lincoln 2.80-3.00, Kent 3.00-3.60. Cucumbers—2.80-3.20. Tomatoes—Hothouse 12-lb 1.20-1.90. Celery—3.00-3.50. Beetroots—28-lb 2.00-2.20. Turnips—28-lb 2.00-3.00. Swedes—28-lb 1.20-1.90. Capsicums—green per pound 0.22-0.28. Corn cobs—each 0.10-0.18. Leeks—per pound 0.22-0.25. Carrots—28-lb 1.20-1.80. Parsnips—28-lb 2.40-2.80. Courgettes—per pound 0.15-0.20. Stick beans—per pound 0.18-0.22. Sprouts—per pound 0.15-0.20. Fennel—per pound 0.25-0.30. Calabrese—per pound 0.50.

GRIMSBY FISH—Supply fair, demand good. Prices at ship's side (unprocessed) per stone: shelf cod £4.50-£6.00, codlings £3.50-£4.70; large haddock £5.50, medium £3.30-£4.80, small £2.90-£3.80; large plaice £5.70-£6.20, medium £5.00-£5.80, best small £4.00-£5.20; skinned dogfish (large £12.00, (medium) £7.50; lemon sole (large) £13.00, (small) £10.00; rockfish £2.50-£4.00; saithe £2.30-£2.80.

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported produce: Clementines—Spain: 6.00-6.60. Oranges—Outspan: Valencia late 56 7.70, 72 7.70, 88 7.80, 112 6.60, 138 5.30, 150 5.30; Brazilian: Valencia lates 6.50-7.00; Uruguayan: 6.50-7.20. Lemons—Outspan: Carton 9.00-12.00, small sizes 6.00-8.00; Italian: Carton 7.00-8.00; Turkish: 6.80-7.00; Cyprus: 10 kg boxes 5.00-7.00. Grapefruit—Outspan: 27 5.70, 32 5.70, 36 6.80, 40 6.80, 48 7.40, 56 7.40, 64 7.40, 72 5.00; Honduras: Box 6.00-6.50; Dominican: 5.80-6.60; Cuban: 4.80, ruby 8.00; Jaffa: 32 5.80, 36 6.00, 40 6.20, 48 5.95, 56 5.05, 64 5.40. Apples—French: Golden Delicious carton 8.50-8.80, Granny Smith carton 9.00-9.20, half-carton 4.50-4.80, Starkcrimson carton 6.50-7.00; Italian: Red Delicious 8-9 kg 2.20. Pears—French: Per pound Williams 0.14-0.15; Italian: Williams 0.15-0.20. Grapes—Italian: Per pound Italia 0.30-0.34; Spanish: Italia 0.30-0.35, Almeria 0.20-0.25, Napoleon 0.25-0.26. Plums—Italian: Per pound President 0.27-0.30. Water-melons—Spanish: 15 kg 2.00-2.40. Melons—Spanish: Yellow 10 kg 3.20-3.80, Green 3.20-3.80; Spanish: Galia small tray 5.50-6.00. Bananas—Colombian: 40 lb boxes 10.30-10.50. Avocados—Canary: 5.50-6.00; Israeli: 5.80-6.00. Pineapples—Each, Kenyan: 1.20-1.80; Ivory Coast: 0.40-1.40; Cape: 0.50-1.00. Paw paws—Brazilian: 6.00-7.00. Mangoes—Israeli: 7.50-8.00. Fennel—Italian: 8 kg 6.00-6.60. Figs—Smyrna: 48's x 8 oz 0.20-0.60. Kiwifruit—New Zealand: 6.00-0.20. Tomatoes—Spanish: Tray 1.60-2.00; Dutch: Tray 1.60-2.00. Beefsteak 3.40-3.50. Aubergines—Dutch: 5 kg 5.50-6.00. Onions—Spanish: Grano 25 kg nets 3.80-4.00, Zaragoza 4.20-4.40; Dutch: 50/70 mm 4.00. Capsicums—Dutch: Yellow 6.00-6.20, Green 3.50, Red 5.00. Cabbages—Dutch: Red 5.60, White 5.20-5.60. Potatoes—Cyprus: 44 lb bag 3.60-4.00. Sugar peas—Kenyan: Per pound 1.40-1.60. Globe artichokes—French: 24's 8.20-8.50. Lettuce—U.S.: Iceberg 30's 14.00-10.00. Cucumbers—Tmy. Dutch: 2.70-3.00; Spanish: 2.20-2.40; Canary: 2.50-3.00. Courgettes—French: Per pound 0.14-0.16. Chestnuts—Italian: 22 lb 7.50-7.80. Dates—Packets x 30 0.55-0.62. Brazils—Large washed Manaos per pound 0.48. Walnuts—Chinese: Per pound 0.29-0.30. Filberts—Sicilian: Per pound 0.29-0.90. Almonds—Ibiza: Semi-soft per pound 0.37-0.38. Pecans—U.S.: Per pound 0.85-0.90. Cranberries—U.S.: Pack x 18 6 oz 7.20.

INDICES

FINANCIAL TIMES

Oct. 11	Oct. 10	M'th ago	Y'ar ago
287.10	286.84	288.86	231.50

(Base: July 1 1952=100)

REUTERS

Oct. 12	Oct. 11	M'th ago	Y'ar ago
1883.5	1885.8	1899.7	1509.9

(Base: September 18 1931=100)

MOODY'S

Oct. 11	Oct. 10	M'th ago	Year ago
1045.1	1061.0	1061.4	965.6

(Base: December 31 1974=100)

DOW JONES

Dow Jones	Oct. 11	Oct. 10	Month ago	Year ago
Spot	139.98	—	145.64	119.74
Fut's	146.06	—	161.08	127.58

(December 31 1931=100)

AMERICAN MARKETS

NEW YORK, October 12.

Precious metals traded moderately weaker reflecting higher interest rates and lower currencies: lack of buying interest prevented all rallies from becoming successful. Copper prices were weak most of the day but managed to rally on the close on local buying and short-covering, finishing virtually unchanged. Heating oil opened weak, but rallied on war news in the Middle East, technical selling late in the day forced the market into moderate losses. Cotton prices traded mostly lower ahead of the crop production report; trade sentiment generally reflected expectations of little change in the crop size. Coffee prices continued to be supported by concerns about a tight delivery situation both in London and New York which proved to be an effective deterrent to dealer selling. Cocoa prices continued their slide on trade selling moderate liquidation on rumours that the Ivory Coast production could be higher. Soyabeans sold off sharply on trader expectations of an upward revision in the crop size. Maize and wheat were only marginally lower in sympathy with the soyabean complex, reports Heinold Commodities.

NEW YORK

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
Dec	1985	2014	1980	2042
March	2025	2042	2013	2063
May	2038	2044	2035	2078
July	2065	2069	2065	2094
Sept	2085	2087	2085	2109

COFFEE "C" 37,000 lbs, cents/lb

	Close	High	Low	Prev
Dec	143.77	43.90	43.00	142.75
March	138.15	38.47	37.75	137.47
May	134.25	34.50	34.00	133.80
July	131.25	31.25	30.75	130.75
Sept	128.63	28.75	28.25	128.50
Dec	128.25	27.25	27.00	128.25
March	123.75	—	—	123.75

COPPER 25,000 lbs, cents/lb

	Close	High	Low	Prev
Oct	65.65	65.75	65.45	65.70
Nov	66.05	—	—	66.10
Dec	66.65	66.85	65.80	66.70
Jan	67.35	67.35	66.50	67.40
March	68.75	68.80	67.85	68.80
May	70.15	70.20	69.40	70.20
July	71.50	71.60	70.90	71.65
Sept	73.05	72.08	72.30	73.10
Dec	75.25	75.20	74.40	75.30
Jan	70.00	—	—	76.05

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
Dec	76.47	76.60	76.30	76.60
March	77.80	78.23	77.70	74.15
May	78.65	78.91	78.70	79.00
July	79.30	79.50	79.16	79.42
Oct	74.50	—	—	74.79
Dec	73.95	74.25	73.85	74.75
March	74.70	—	—	74.75

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Close	High	Low	Prev
Nov	81.57	82.10	81.40	82.00
Dec	82.68	83.15	82.50	83.04
Jan	82.77	83.30	82.60	83.22
Feb	81.40	82.36	81.70	82.30
March	79.68	80.10	79.55	80.05
April	78.50	78.90	78.50	78.75
May	77.50	77.70	77.50	78.00
June	76.40	77.25	77.25	77.70

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Oct	397.1	397.8	403.0	398.2
Nov	398.5	—	—	399.8
Dec	401.8	404.3	397.7	403.0
Feb	408.3	410.7	403.5	408.5
April	414.9	417.8	411.7	416.1
June	421.8	424.5	416.5	422.9
Aug	429.0	429.8	424.0	429.8
Oct	436.1	434.0	431.0	436.5
Dec	443.6	444.0	438.6	444.1
Feb	451.5	446.4	446.4	451.8
April	459.3	—	—	459.3
June	467.3	—	—	467.1

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
Nov	119.70	20.80	19.50	120.10
Jan	114.60	14.80	13.50	113.50
March	111.25	11.45	10.35	110.55
May	111.00	11.00	10.50	110.20
July	110.90	70.00	09.80	110.20
Sept	119.80	—	—	110.30
Nov	109.00	—	—	108.70
Jan	109.25	—	—	109.00
March	109.25	—	—	109.00

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Oct	396.1	398.0	395.0	400.7
Dec	401.8	402.0	400.0	406.2
Jan	403.5	408.0	400.8	408.2
April	410.2	414.5	408.0	414.8
July	417.9	418.1	410.5	422.6
Oct	425.6	425.0	425.0	430.2
Jan	435.0	—	—	—

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Oct	1021.5	28.0	17.0	1040.0
Dec	1034.0	50.0	28.0	1053.0
Jan	1042.8	43.0	43.0	1062.0
March	1060.2	77.0	52.0	1079.5
May	1078.5	86.0	73.0	1098.5
July	1097.0	100.0	85.0	1117.8
Sept	1116.5	122.0	110.0	1136.5
Dec	1144.0	160.0	140.0	1165.5
Jan	1153.8	—	—	1175.0
March	1172.0	—	—	1194.0

SUGAR WORLD "11" 112,000 lbs, cents/lb

	Close	High	Low	Prev
Jan	10.85	70.80	70.70	10.94
March	11.06	11.43	11.05	11.33
May	11.35	11.78	11.34	11.68
July	11.61	12.09	11.69	11.96
Sept	11.78	12.06	12.06	12.10
Oct	11.98	12.45	11.97	12.28
Jan	12.06	12.50	12.50	12.49
March	12.72	13.25	13.10	12.98

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Oct	60.65	60.95	60.50	60.57
Dec	59.52	60.00	59.25	59.65
Feb	59.15	59.60	59.05	59.25
April	61.45	61.90	61.40	61.50
June	63.70	64.00	63.65	63.77
August	62.85	65.20	62.80	62.90

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Oct	41.30	41.60	40.95	41.47
Dec	40.32	40.97	40.10	40.85
Feb	43.15	43.77	42.85	43.60
April	43.57	44.30	43.52	44.10
June	49.25	49.80	49.00	49.52
July	51.40	51.50	50.90	51.90
August	50.55	50.70	50.55	50.75
Oct	50.25	50.30	49.75	50.35
Dec	52.70	52.10	52.10	51.25

MAIZE 5,000 bu min, cents/56-lb bushel

	Close	High	Low	Prev
Dec	348.4	351.4	348.4	350.2
March	349.4	350.8	346.8	350.2
May	349.0	350.2	348.6	351.2
July	346.8	349.0	346.4	349.4
Sept	319.0	321.0	319.0	321.0
Dec	298.4	301.8	298.0	301.8

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	57.02	58.20	56.40	58.20
March	57.37	58.35	56.55	58.27
May	59.22	60.40	58.00	60.12
July	59.97	61.30	58.55	61.00
August	58.80	60.05	58.52	60.00

SOYABEANS 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
Nov	834.0	848.4	834.0	860.5
Jan	850.4	864.0	850.4	865.0
March	863.0	875.0	863.0	877.4
May	863.0	876.0	863.0	876.0
July	864.0	865.0	854.0	866.0
August	827.5	830.0	827.0	837.5
Sept	753.0	756.0	753.0	765.5
Nov	677.0	682.0	677.0	680.4

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Oct	226.0	229.3	226.0	230.5
Dec	231.0	234.5	231.0	234.5
Jan	231.5	235.8	231.5	235.0
March	232.0	236.5	232.0	236.0
May	234.5	237.0	234.5	236.5
July	236.0	237.0	234.5	237.8
August	226.0	230.0	224.0	229.0
Sept	215.0	225.0	214.0	218.0
Oct	195.0	194.5	192.0	195.2
Dec	195.5	198.3	192.0	193.5

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
Oct	29.90	30.10	29.80	30.07
Dec	30.25	30.50	30.10	30.50
Jan	30.35	30.55	30.30	30.62
March	30.25	30.55	30.25	30.50
May	29.85	30.05	29.75	30.00
July	29.00	29.25	29.00	29.30
August	27.85	28.00	27.75	27.75
Sept	26.50	26.50	26.10	26.20
Oct	24.45	24.50	24.30	24.30
Dec	24.30	24.20	24.00	24.05

WHEAT 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
Dec	366.0	367.0	365.0	366
March	378.4	379.8	378.2	379
May	379.2	382.2	379.2	382
July	368.0	369.4	367.4	368
Sept	375.0	378.4	375.0	377
Dec	387.0	388.0	386.6	388

SPOT PRICES—Chicago loose lard 18.00 (same) cents per pound. New York tin 598.0-600.0 (595.0-605.0) cents per pound.

YTS trainees join NatWest

TWO HUNDRED unemployed school-leavers will join National Westminster Bank in the next two weeks under the Youth Training Scheme run by the Manpower Services Commission. The youngsters, aged 16 and 17, will be the first to take up 1,200 places offered by NatWest.

They will receive training in branches of the bank's 50 areas and will be given the MSC allowance of £25 a week plus fares paid over £4.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar and sterling firm

The dollar and sterling were firm against Continental currencies and the yen, as the foreign exchanges reacted to the war between Iran and Iraq and firmer U.S. interest rates. Fears of a widening conflict in the Middle East if Iran carries out its threat to close the Strait of Hormuz led to increased demand for the dollar, while the market also reassessed its earlier hopes of lower U.S. interest rates. The outcome of August's Federal Open Market Committee meeting was a disappointment, and it is also doubtful whether the FOMC relaxed its credit policies at the September meeting, as Federal funds and Eurodollar rates remain very firm.

Sterling lost ground to the dollar, but was firm against other major currencies, underpinned by the pound's status as a petrocurrency at a time of concern about future oil supplies from the Gulf.

DOLLAR — Trade-weighted index (Bank of England) 126.3 against 122.1 six months ago. The dollar has retreated from the peaks touched in August, amid hopes that a sustained fall was imminent, following better money supply figures and a slight easing of interest rates. The large U.S. Budget deficit is likely to restrain the fall in interest rates and the dollar, but downward pressure on the currency will continue from the substantial trade deficit.

The dollar rose to DM 2.6145 from DM 2.5880 against the D-mark; FFr 7.9875 from FFr 7.91 against the French franc; SwFr 2.1230 from SwFr 2.1045 in terms of the Swiss franc; and Y234.25 from Y232.25 against the Japanese yen.

STERLING — Trading range against the dollar in 1983 is 1.6245 to 1.4540. September average 1.4991. Trade-weighted index 83.7 against 83.7 at noon, 83.9 at the opening, 83.7 at the previous close, and 82.0 six months ago. The pound has tended to weaken recently with a decline against Continental currencies probably welcomed, and not preventing a long awaited half point cut in London clearing bank base rates.

Sterling opened at $1.5005-$1.5015, and fell to a low of $1.4935-1.4945. It touched a peak of $1.5060-1.5070 on reports of Iraqi bombing raids in Iran, and closed at $1.5035-1.5045, a fall of 25 points on the day. The pound improved to DM 3.9350 from DM 3.90; FFr 12.01 from FFr 11.9150; SwFr 3.1950 from SwFr 3.1725; and Y352.50 from Y350.

D-MARK — Trading range against the dollar in 1983 is 2.7315 to 2.3320. September average 2.6683. Trade weighted index 127.1 against 130.7 six months ago. Until the recent easing of U.S. M1 money supply the D-mark had been at its lowest level for nearly 10 years against the dollar, reflecting the large differential in interest rates. However, there ne appears to be a gradual shift in emphasis towards economic fundamentals with the German currency looking increasingly attractive on this basis.

The dollar rose quite sharply yesterday in Frankfurt. It was fixed at DM 2.6118 up from DM 2.5768 amid renewed concern over the conflict between Iran and Iraq and any possible disruption of oil supplies. There was no intervention by the Bundesbank. The market appeared to show a turnround in sentiment with the prospect of lower N.S. interest rates oow no longer paramount in most people's minds. Sterling was fixed at DM 3.9150 up from DM 3.8960.

BELGIAN FRANC — Trading range against the dollar in 1983 is 54.49 to 45.90. September average 53.83. Trade weighted index 90.8 against 94.6 six months ago. The Belgian franc is experiencing renewed downward pressure within the EMS as the D-mark starts to appreciate. This is principally a result of the weaker dollar with currencies like the D-mark proving to be more attractive than weaker members such as the Belgian franc and Italian lira.

The Belgian National Bank spent the equivalent of BFr 1.4bn in the week up to last Monday in support of the Belgian franc. This was down from BFr 6.1bn the previous week and dealers saw little likelihood of a rise in the discount rate, given the franc's lower but steady trend. At yesterday's fixing in Brussels the dollar rose to BFr 53.25 from BFr 52.6025 while sterling eased to BFr 79.81 from BFr 78.9540½. Within the EMS the D-mark fell to BFr 20.3705 from DM 20.3910 while the Danish krone remained at BFr 5.6350. The Dutch guilder slipped to BFr 18.1670 from BFr 18.1760.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU October 12	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.8343	+2.30	+1.78	±1.5447
Danish Krone ...	8.14104	8.15367	+9.10	−0.37	±1.6425
German D-Mark	2.24184	2.25569	+0.62	+0.10	±1.0642
French Franc ...	6.87456	6.89791	+0.34	−0.18	±1.4052
Dutch Guilder ...	2.52595	2.52945	+0.14	−0.38	±1.4254
Irish Punt ...	0.72569	0.728162	+0.34	−0.18	±1.6669
Italian Lira ...	1403.49	1370.08	−2.38	−2.38	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Oct. 12	£	$		£ Note Rates
Argentina Peso...	20.87-20.94	13.919-13.939	Austria...	27.40-27.70
Australia Dollar...	1.6480-1.6500	1.0950-1.0960	Belgium...	80.60-81.60
Brazil Cruzeiro...	1,131.75-1,133.16	754.0-756.0	Denmark...	14.09-14.21
Finland Markka...	8.4860-8.5120	5.6455-5.6475	France...	11.92-12.04
Greek Drachma...	138.80-139.40	92.60-93.20	Germany...	3.89½-3.93½
Hong Kong Dollar	12.30-12.38	8.20-8.20	Italy...	2365-2395
Iran Rial...	130.50*	86.10*	Japan...	350-360
Kuwait Dinar (KD)	0.43615-0.43555	0.28932-0.28987	Netherlands...	4.36¾-4.40¾
Luxembourg Fr...	80.00-80.10	53.21-53.23	Norway...	10.92-11.02
Malaysia Dollar...	3.5150-3.5250	2.3440-2.3460	Portugal...	180-204
New Zealand Dlr.	2.2685-2.2730	1.5080-1.5105	Spain...	218¼-233½
Saudi Arab. Riyal	5.2260-5.2295	3.4810-3.4810	Sweden...	11.63-11.73
Singapore Dollar	3.20-3.21	2.1340-2.1360	Switzerland...	3.16-3.19
Sth. African Rand	1.6805-1.6818	1.1175-1.1180	United States...	1.49-1.51
U.A.E. Dirham...	5.5115-5.5170	3.6720-3.6730	Yugoslavia...	166-192

* Selling rates.

CURRENCY MOVEMENTS

Oct. 12	Bank of England Index	Morgan Guaranty Changes %
Sterling...	83.7	−7.9
U.S. dollar...	126.3	+10.9
Canadian dollar...	92.0	+1.0
Austrian schilling...	117.7	+0.8
Belgian franc...	90.8	−11.4
Danish kroner...	80.3	−4.9
Deutsche mark...	127.1	+7.8
Swiss franc...	152.1	+19.9
Guilder...	110.6	+4.9
French franc...	67.5	−14.7
Lira...	49.9	−11.3
Yen...	168.0	+10.2

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

Oct. 12	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling ...	—	0.707331	0.575342
U.S. $ ...	8½	1.06030	0.863588
Canadian $...	9.45	*	1.06463
Austria Sch.	3¾	19.4926	15.8541
Belgian F ...	9	56.4548	45.8345
Danish Kr...	7½	10.0082	8.15337
D mark ...	4	2.76945	2.25569
Guilder ...	5	3.10686	2.52945
French F...	9½	8.47122	6.89791
Lira ...	17	1682.85	1370.08
Yen ...	5½	247.700	202.196
Norwgn Kr...	8	7.76184	6.32276
Spanish Pta	—	N/A	131.006
Swedish Kr	8½	8.26833	6.72994
Swiss Fr ...	4	2.24770	1.83038
Greek Dr'ch	20½	N/A	80.0805

*C$/SDR rate for Oct 11: 1.31342.

THE POUND SPOT AND FORWARD

Oct 12	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4935-1.5070	1.5035-1.5045	0.05-0.10c dis	−0.60	0.17-0.22dis	−0.52
Canada	1.8410-1.8555	1.8535-1.8545	0.05c pm-0.05 dis	—	0.02-0.12dis	−0.15
Nethlnd.	4.37½-4.42½	4.40¾-4.41¾	1¼-⅞c pm	3.06	3¾-3½ pm	3.06
Belgium	79.50-80.10	80.00-80.10	10c pm-par	0.75	3 pm-7 dis	−0.10
Denmark	14.12½-14.21½	14.19-14.20	1.30-2.65ore dis	−1.67	3.65-5.55dis	−1.30
Ireland	1.2660-1.2700	1.2685-1.2695	0.35-0.45p dis	−3.78	1.00-1.10dis	−3.31
W. Ger.	3.90-3.94	3.93-3.94	1½-1pf pm	3.81	3¾-3½ pm	3.43
Portugal	185.00-187.50	186.50-187.00	230-495c dis	−23.29	770-1380dis	−23.02
Spain	226.75-228.25	227.70-228.00	265-350c dis	−16.72	860-1005dis	−16.28
Italy	2,374-2,387	2,384½-2,385½	13-15lire dis	−7.04	45-52 dis	−8.47
Norway	10.96-11.03	11.01-11.02	2.50-3.15ore dis	−3.08	9.30-10.10dis	−3.62
France	11.95-12.02½	12.00½-12.01½	3½-4½c dis	−4.00	16-17½ dis	−5.58
Sweden	11.66-11.75	11.71¾-11.72¾	1.30-1.85ore dis	−1.61	6.40-7.05dis	−2.29
Japan	350-353½	352-353	0.90-0.70y pm	2.72	2.50-2.30 pm	2.72
Austria	27.46-27.66	27.58-27.63	8-6⅝gro pm	3.10	21½-18 pm	2.86
Switz.	3.16½-3.20½	3.19-3.20	1¾-1¼c pm	0.83	4½-4 pm	5.32

Belgian rate is for convertible francs. Financial franc 81.45-81.55. Six-month forward dollar 0.30-0.35c dis. 12-month 0.63-0.73c dis.

THE DOLLAR SPOT AND FORWARD

Oct 12	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4935-1.5070	1.5035-1.5045	0.05-0.10c dis	−0.60	0.17-0.22dis	−0.52
Ireland†	1.1845-1.1910	1.1880-1.1890	0.30-0.25c pm	2.83	0.84-0.76 pm	2.69
Canada	1.2320-1.2335	1.2325-1.2330	0.04-0.01c pm	0.24	0.11-0.08 pm	0.31
Nethlnd.	2.9245-2.9335	2.9315-2.9335	0.95-0.85c pm	3.69	2.58-2.48 pm	3.46
Belgium	53.06-53.30	53.21-53.23	5-2c pm	0.79	4 pm-par	0.15
Denmark	9.4185-9.4485	9.4375-9.4425	1.50-2.20ore dis	−2.36	2.30-3.30dis	−1.19
W. Ger.	2.6010-2.6185	2.6140-2.6150	0.93-0.88pf pm	4.18	2.68-2.83 pm	4.07
Portugal	124.10-124.70	124.10-124.40	150-320c dis	−22.66	500-900dis	−22.50
Spain	151.40-151.70	151.50-151.60	180-215c dis	−15.64	540-640dis	−15.57
Italy	1,582½-1,587¾	1,586-1,587	9¾-10½lire dis	−7.66	32½-33½dis	−8.26
Norway	7.3060-7.3250	7.3060-7.3110	2.15-2.45ore dis	−3.77	6.10-6.40dis	−3.42
France	7.9620-8.0020	7.9850-7.9900	2.20-2.40c dis	−3.46	9.90-10.30dis	−5.07
Sweden	7.7870-7.8000	7.7900-7.7950	1.40-1.60ore dis	−2.31	4.15-4.35dis	−2.18
Japan	233.40-234.55	234.20-234.30	0.64-0.59y pm	3.16	1.94-1.89 pm	3.28
Austria	18.33-18.39	18.38-18.39	5.90-5.30gro pm	3.66	16.5-14.5 pm	3.38
Switz.	2.1110-2.1255	2.1225-2.1235	1.13-1.08c pm	6.26	3.07-3.02 pm	5.76

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

Belgian rate is for convertible francs. Financial franc 54.18-54.23.

EXCHANGE CROSS RATES

Oct. 12	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.504	3.930	352.5	12.01	3.195	4.413	2386.	1.854	80.05
U.S. Dollar	0.665	1.	2.613	234.4	7.985	2.124	2.934	1586.	1.233	53.22
Deutschemark	0.254	0.383	1.	89.69	3.052	0.813	1.123	606.8	0.471	20.34
Japanese Yen 1,000	2.837	4.267	11.15	1000.	34.07	9.064	12.52	6767.	5.260	227.1
French Franc 10	0.833	1.252	3.276	293.5	10.	2.660	3.674	1986.	1.544	66.65
Swiss Franc	0.313	0.471	1.232	110.3	3.759	1.	1.381	746.6	0.580	25.05
Dutch Guilder	0.227	0.341	0.892	79.89	2.722	0.724	1.	540.6	0.420	18.14
Italian Lira 1,000	0.419	0.630	1.650	147.8	5.030	1.339	1.850	1000.	0.777	33.56
Canadian Dollar	0.539	0.811	2.112	190.1	6.479	1.723	2.380	1287.	1.	43.18
Belgian Franc 100	1.249	1.879	4.916	440.3	15.00	3.991	5.512	2980.	2.310	100.

MONEY MARKETS

A firmer tone in London

UK clearing bank base lending rate 9 per cent (since October 4 and 5)

Interest rates had a firmer tone on the London money market yesterday, reacting to the sharp falls in U.S. Treasury bond prices in New York on Tuesday, and the high level of Federal funds despite intervention by the authorities, rather than the UK money supply figures which held few surprises.

Federal funds remained firm at 9¾ per cent yesterday despite the injection of $2bn into the banking system by way of customer repurchase agreements, after a similar move of $1.5bn the previous day.

The Bank of England forecast a money shortage of £400m, but later revised this to £450m. Bills maturing in official hands, repayment of late assistance, and a take-up of Treasury bills from last week's tender drained £232m, while the unwinding of bill repurchase agreements absorbed £336m, a rise in the note circulation £60m, and bank balances below target another £108m, following the under assistance of the market by the Bank of England on Tuesday. These factors outweighed £279m added to liquidity by Exchequer transactions. Total assistance on the day amounted to £503m.

Most of the help was provided before lunch when the authorities bought £443m bills outright by way of £5m bank bills in band 1 (up to 14 days maturity) at 9 1/16 per cent; £82m bank bills in band 2 (15-33 days) at 9 per cent; £83m bank bills in band 3 (34-63 days) at 8 15/16 per cent; £8m Treasury bills in band 4 (64-91 days) at 8⅞ per cent; £1m local authority bills in band 4 at 8⅞ per cent; and £226m bank bills in band 4 at 8⅞ per cent.

In the afternoon the Bank of England did not purchase any more bills, but provided late assistance of around £60m.

LONDON MONEY RATES

Oct. 12 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight...	—	8-9⅛	9-9⅛	—	—	9-9⅛	8½-9¼	—	—	—
2 days notice...	—	—	9⅛-9¼	—	—	—	—	—	—	—
7 days or...	—	—	—	—	—	9⅛-9⅛	—	—	—	—
7 days notice...	—	9-9¼	9⅛-9¼	—	—	—	8	—	—	—
One month...	9⅛-9 1/16	9¼-9⅜	9¼	9⅞-9⅝	9¼	9⅜	9	9 1/16-9	9⅛	9 11/32
Two months...	9 3/16-9¼	9⅛-9⅛	9¼-9⅜	9¾-9½	9⅜	9⅜	9	8 15/16-8⅞	8⅞	9⅜
Three months...	9⅜-9¼	9 3/16-9 5/16	9⅜-9½	9¼-9½	9⅜	9⅜	9	8⅞-8 13/16	8 13/16	9⅜
Six months...	9⅜-9 5/16	9½-9⅝	9½	9¼-9	9⅝	—	—	—	8 13/16-8 11/16	9⅜
Nine months...	9½-9 7/16	9⅝-9 9/16	9⅝	10½-9¼	9¾	—	—	—	—	—
One year...	9½-9 7/16	9 9/16-9 11/16	9⅝-9¾	10-9⅝	9 13/16	—	—	—	—	—
Two years...	—	—	10⅜	—	—	—	—	—	—	—

ECGD Fixed Rate Export Scheme IV. Average Rate for interest period September 7 to October 4 1983 (inclusive) 8.719 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 10½ per cent; four years 10¾ per cent; five years 11⅛ per cent. ⊕ Bank bill rates in table are buying rates for prime paper. Buying rates for four months' bank bills 8 21/32 per cent; four months trade bills 9 5/32 per cent.

Approximate selling rate for one-month Treasury bills 9 per cent; two months 8 31/32-8 29/32 per cent and three months 8 27/32 per cent. Approximate selling rate for one-month bank bills 9 per cent; two months 8 29/32 per cent and three months 8⅞ per cent; trade bills 9 11/32 per cent; two months 9 11/32 per cent and three months 9 5/32 per cent.

Finance Houses Base Rate (published by the Finance Houses Association): 10 per cent from October 1 1983. London and Scottish Clearing Bank Rates for lending: 9 per cent. London Deposit Rates for sums at seven days' notice: 5½ per cent.

Treasury Bills: Average tender rates of discount 8.8639 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 8½ per cent; one-three months 9¾ per cent; three-six months 9¾ per cent; six-12 months 10 per cent. Under £100,000 8½ per cent from October 6. Deposits held under Series 4-5 10 per cent. The rate for all deposits withdrawn for cash 8 per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES

(Market closing rates)

Oct. 12	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling...	9-9⅛	9 1/16-9 3/16	9¼-9⅜	9 5/16-9 7/16	9 7/16-9 9/16	9¾-9⅞
U.S. Dollar...	9½-9¾	9½-9¾	9½-9¾	9 13/16-9 15/16	9 15/16-9 15/16	10-10¼
Can. Dollar...	9¼-9¾	9¼-9¾	9⅛-9⅜	9¼-9½	9⅜-9¾	9¾-10
D. Guilder...	0⅛-5	0⅞-0⅛	5 9/16-5 11/16	5½-6¼	5 11/16-5 13/16	6 1/16-6 3/16
S. Franc...	2¼-2⅜	2-2¼	3 11/16-3 13/16	4 1/16-4 1/16	4 3/16-4 5/16	4⅜-4½
Deutschm'rk	5 3/16-5 5/16	0¼-5⅜	5½-5⅝	5¾-5⅞	5⅞-6	6¼-6⅜
Fr'nch Franc	12⅜-12⅝	12⅜-12⅝	12¾-13	14⅝-14⅞	16⅞-16⅛	16⅝-18⅝
Italian Lira...	15¾-16¾	16¾-17¼	16¾-17½	17⅝-18⅛	18⅛-18⅝	18⅝-19⅛
Belg. Franc...						
Conv...	7-7½	7¼-7¾	8½-9	9⅜-9⅞	9¾-10¼	10-10½
Fin...	6½-7	8¼-8¾	8¾-9	9⅜-9⅝	9¾-10	10-10¼
Yen...	6⅛-6⅜	6⅛-6⅜	6⅛-6⅝	6¼-6⅝	6⅛-6⅝	6⅛-6¾
D. Krone...	13-13½	13-14	11¼-11¾	10¾-11½	11-11½	10¾-11¼
Asia $ (Sing.)	9 11/16-9 13/16	9⅝-9¾	9½-9⅝	9 13/16-9 15/16	9¾-9⅞	10-10½

FT LONDON INTERBANK FIXING

(11.00 a.m. OCTOBER 12)

3 month U.S. dollars		6 month U.S. dollars	
bid 9 11/16	offer 9 13/16	bid 9 15/16	offer 9 15/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Prime rate	11
Fed funds (lunch-time)	9½-9¾
Treasury bills (13-week)	8.76
Treasury bills (26-week)	8.94

GERMANY

Lombard	5.5
Overnight rate	5.55
One month	5.80
Three months	6.175
Six months	6.175

FRANCE

Intervention rate	12.25
Overnight rate	12.6875
One month	12.6875
Three months	12.6875
Six months	12.8875

JAPAN

Discount rate	5.5
Call (unconditional)	6.59375
Bill discount (3-month)	6.84375

SWITZERLAND

Discount rate	4
Overnight rate	2½-3½
One month	3½-3¾
Three months	3⅞-4⅛

NETHERLANDS

Discount rate	5
Overnight rate	5¾-5⅞
One month	5⅞-6⅛
Three months	6⅛-6⅜
Six months	6¼-6½

$ CERTIFICATES OF DEPOSIT

One month	9.35-9.45
Three months	9.45-9.55
Six months	9.65-9.75
One year	9.75-9.85

LONG TERM EURO $

Two years	10⅞-11⅛
Three years	11-11¼
Four years	11⅛-11⅜
Five years	11¾-12

SDR LINKED DEPOSITS

One month	8¾-9
Three months	8 13/16-8 15/16
Six months	9¼-9½
One year	9¼-9½

ECU LINKED DEPOSITS

One month	8 13/16-9 1/16
Three months	9¼-9½
Six months	9 9/16-9 13/16
One year	9⅞-10⅛

FINANCIAL FUTURES

Prices recover

Most currencies finished above the day's lows in the London International Financial Futures Exchange yesterday. Gilt futures opened on a weaker note following a similar trend in the U.S. on Tuesday but gained support at the lower levels with further interest generated by a firmer U.S. opening. Consequently values finished close to Tuesday's closing levels. The December price started at 105-17 down from Tuesday's close of 106-00 and touched a low of 105-10 before recovering to close at 105-31.

Euro-dollar prices followed a similar pattern. Early trading pushed values lower in reaction to a firmer cash market. But the lower levels once again attracted support followed by further buying after the start of U.S. trading. The December price opened at 90.08 down from 90.21 and touched a low of 90.07 before finishing at 90.16. The weaker trend in London reflected fears over an escalation in the conflict between Iran and Iraq and a possible disruption of oil supplies. There was also some reaction to comments made by Treasury Secretary Donald Regan regarding the U.S. budget deficit and the Fed's stance towards containing inflation. However, short covering in the U.S. after the recent weaker trend tended to blot out current market fears and a firmer feel to U.S. Treasury bonds provided the impetus for a recovery in London.

Sterling deposits opened weaker and then remained within a narrow band. The firmer trend reflected a marking up in the cash market in reaction to Middle East tension.

LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
Dec	90.16	90.18	90.07	90.21
March	89.86	89.88	89.77	89.90
June	89.62	89.62	89.53	89.66
Sept	89.39	89.39	89.30	89.40
Dec	89.12	89.12	89.06	89.15

Volume 2,343 (2,567)
Previous day's open int. 7,352 (7,394)

THREE-MONTH STERLING DEPOSIT
£250,000 points of 100%

	Close	High	Low	Prev
Dec	90.59	90.62	90.56	90.66
March	90.30	90.33	90.28	90.37
June	90.12	90.12	90.09	90.17
Sept	89.79	—	—	89.89
Dec	89.50	—	—	89.63

Volume 667 (655)
Previous day's open int. 5,315 (5,326)

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev
Dec	105-31	106-00	105-10	106-00
March	105-17	—	—	105-18
June	105-03	—	—	105-04
Sept	104-21	—	—	104-22
Dec	104-07	—	—	104-08

Volume 3,518 (4,469)
Previous day's open int. 3,435 (3,111)
Basis quote (clean cash price of 13¾% Treasury 2003 less equivalent price of near futures contract) 20 to 30 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
Dec	1.5015	1.5030	1.4975	1.5085
March	1.5030	—	—	1.5100
June	1.5046	—	—	1.5116

Volume 171 (380)
Previous day's open int. 1,331 (1,266)

DEUTSCHE MARKS
DM 125,000 $ per DM

	Close	High	Low	Prev
Dec	0.3858	0.3865	0.3850	0.3890
March	0.3889	—	—	0.3923
June	0.3922	—	—	0.3956

Volume 166 (112)
Previous day's open int. 794 (795)

SWISS FRANCS
SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
Dec	0.4762	0.4776	0.4761	0.4797
March	0.4825	—	—	0.4860
June	0.4887	—	—	0.4922

Volume 10 (23)
Previous day's open int. 126 (139)

JAPANESE YEN
Y12.5m $ per Y100

	Close	High	Low	Prev
Dec	0.4300	0.4301	0.4290	0.4330
March	0.4332	—	—	0.4367
June	0.4367	—	—	0.4398

Volume 60 (58)
Previous day's open int. 161 (151)

CHICAGO

U.S. TREASURY BONDS (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	71-17	71-22	71-10	71-19
March	70-30	71-04	70-23	71-01
June	70-12	70-19	70-11	70-19
Sept	70-04	70-07	69-31	70-07
Dec	69-26	69-30	69-22	69-29
March	69-20	69-20	69-16	69-21
June	—	—	—	69-14
Sept	—	—	—	69-08
Dec	—	—	—	—
March	—	—	—	—
June	—	—	—	—

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Dec	90.93	90.96	90.84	90.90
March	90.61	90.89	90.54	90.59
June	90.41	90.43	90.34	90.37
Sept	90.24	90.25	90.18	90.18
Dec	90.07	90.07	90.00	90.01
March	89.86	89.88	89.88	89.84
June	89.70	89.72	89.70	89.52

CERT. DEPOSIT (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Dec	90.29	90.31	90.20	90.26
March	—	89.94	89.84	89.89
June	89.67	89.67	89.60	89.62
Sept	89.41	89.45	89.28	89.40
Dec	—	—	—	—
March	—	—	—	—

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Dec	89.89	89.91	89.80	89.85
March	89.58	89.58	89.51	89.54
June	89.36	89.36	89.27	89.30
Sept	—	89.14	89.06	89.08
Dec	—	88.93	88.86	88.88
March	—	88.71	88.66	88.69

STERLING (IMM) $s per £

	Latest	High	Low	Prev
Dec	—	1.5085	1.4995	1.5050
March	1.5040	1.5075	1.5000	1.5065
June	1.5060	1.5080	1.5040	—
Sept	—	—	—	1.5090
Dec	—	—	—	—
March	—	—	—	—

GNMA (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	67-31	68-04	67-24	68-01
March	67-02	67-07	66-27	67-04
June	66-11	66-13	66-04	66-13
Sept	65-25	65-28	65-25	65-28
Dec	65-11	65-12	65-11	65-14
March	—	—	—	—
June	—	—	—	64-24
Sept	—	—	—	64-18
Dec	—	—	—	—
March	—	—	—	—

CONTRACTS AND TENDERS

REPUBLIQUE POPULAIRE DU BENIN

(POPULAR REPUBLIC OF BENIN)

Societe Nationale pour la Promotion Agricole (SONAPRA) (National Company for the Promotion of Agriculture) is launching a call for tenders for the purchase of fertilisers and insecticides, financed jointly by:

- —Gouvernement Republique Populaire du Benin (The Government of the Popular Republic of Benin)
- —Association Internationale pour le Developpement (IDA) (International Development Association)
- —Caisse Centrale de Cooperation Economique (CCCE) (Central Economic Cooperation Fund)
- —Fonds International pour le Developpement Agricole (FIDA) (International Fund for Agricultural Development)
- —Fonds de l'OPEP pour le Developpement (OPEC Development Fund)

The offers are for:

(A) Fertilisers
- Lot No. 1: 9,500 tonnes of NPKSB compound fertiliser, formula 15-25-15-5 or 14-23-14-5-1
- Lot No. 2: 4,000 tonnes of "long-life dosing 46 @ D Nitrogen" minimum
- Lot No. 3: 4,109 tonnes of miscellaneous fertilisers

(B) Insecticides and Treatment Equipment
- Lot No. 1: 410,000 litres of binary products, formula ULV
- Lot No. 2: 410,000 litres of simple pyrethrinoid products, formula ULV
- Lot No. 3: 1,405 ULV spraying equipment

The dossiers for this call for tenders may be obtained from SONAPRA, B.P. 933, Cotonou, or from the Embassies of the Popular Republic of Benin, in return for payment of a sum of 40,000 CFA Francs.

The closing date for offers is 17 October 1983

REPUBLIQUE DE DJIBOUTI

(Republic of Djibouti)

MINISTERE DES TRAVAUX PUBLICS DE L'URBANISME ET DU LOGEMENT (MINISTRY FOR PUBLIC WORKS, TOWN PLANNING AND HOUSING)

International Call for Tenders for the Selection of a Firm of CONSULTING ENGINEERS to supervise the Djibouti-Tadjourah Road

1. Prime Contractor: Direction des Travaux (Public Works Directorate), B.P. 11, Djibouti, Republic of Djibouti.
2. Works financed partially by the Saudi Development Fund.
3. Location of works: Djibouti-Tadjourah Road.
4. Open international call for tenders for the simultaneous preselection and selection of companies (2 envelopes inside each outer envelope, one for the preselection and one for the tender).
5. Planned commencement date of the road works: July 1984.
6. The consultants' work will consist of:
   —Assisting in the examination of offers. Drafting the contract.
   —Supervising the works.
7. Duration of the works: three (3) years.
8. Documents should be sent to arrive at the Directorate of Public Works by 0800 hours on 12 January 1984 at the very latest.
9. Documents to be provided:
   —Technical references.
   —Company personnel and resources.
10. Cost of the prequalification and qualification dossier: fifty thousand Djibouti Francs — 50,000 DF.
11. Dossiers may be obtained from the Direction des Travaux Publics (Directorate for Public Works) for two days with effect from 15 November.

INTL. CAPITAL MARKETS

Nomura taps taste for equity-linked issues

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

NOMURA SECURITIES is raising $100m in the Eurobond market through a five-year, 6¼ per cent bond with warrants attached to buy its shares.

Launched yesterday at par by Nomura International, the issue relies heavily on investor appetite for equity-linked paper to ensure success.

The warrants can be exercised up to October 1988 and will allow holders to purchase shares in Nomura at a premium of 2½ per cent over the average closing price in Tokyo on the last six days before final pricing on October 21.

The bond was the only new issue to be launched yesterday as secondary market prices again fell by around ½ point after weakness in the New York bond market. By late afternoon, however, dealers in London detected some bargain buying which brought Eurobond prices off their lows for the day.

None the less, there continues to be a large overhang of unsold new issues and that is reflected in relatively heavy discounts. The 11¾ per cent Nordic Investment Bank bond was trading yesterday at a discount of more than two points from its 99¾ issue price. Montreal Urban Community's 12 per cent issue was quoted at a discount of 1¾ points from its par launch price.

D-Mark bonds were also weaker yesterday, although Swiss franc foreign issues were little changed. Baxter Travenol Laboratories is raising a minimum of SwFr 100m through a 10-year, dual-currency issue, repayable in U.S. dollars, with an indicated coupon of 7 per cent. Lead manager is Swiss Bank Corporation.

In Germany, the Asian Development Bank has launched a 10-year DM 200m public issue with a coupon of 8½ per cent and issue price par. Deutsche Bank, which is leading the bond, quoted the paper at a relatively narrow initial discount of ¾ points.

Elsewhere, the World Bank has launched a Y20bn, 12-year, 7.8 per cent Samurai bond at 99.35 through Daiwa Securities, while Electricité de France is raising Fl 150m through a 10-year 8¾ per cent bond priced at 99¾ per cent by lead managers Algemene Bank Nederland and Amro.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which is published monthly. The following are closing prices for October 12.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin 10¼ 90	100	94½	94⅞	−0½	−0½	11.47
Bank of America 8 88 XW	150†	86½	87	−0⅜	−0⅜	12.08
Bank of Tokyo 11 90	100	95½	96	−0½	+0⅛	11.94
British Col Hyd 10⅛ 88	200	96⅜	97⅛	−0½	−0⅛	11.14
C.C.C.E. 11¼ 87	100	94⅛	94⅝	−0½	−0⅝	12.60
C.C.C.E. 12⅝ 95	75	99	99½	−0⅛	−0¾	12.74
Can Imp Bk Com 11 90	75	92½	93½	−0⅜	0	12.58
Chicorp O/S 10⅞ 90	100	92½	93	−0⅜	−0⅜	12.80
Citicorp O/S 11¾ 90	100	97⅝	98⅛	−0⅛	−0½	12.22
Coca Cola Int 9⅞ 92	100	92⅛	92⅝	−0⅛	−0⅝	11.27
Cred Suisse BAH 10½ 00	150	96⅝	97⅛	−0⅛	−0¼	11.16
Den Norsk Cred 11⅛ 93	50	93⅛	93⅝	−0¼	−0⅛	12.42
Du Pont 11¼ 86	150	99	99½	−0⅛	−0⅜	11.36
E.C.S.C. 11⅞ 90	75	99¼	99¾	−0⅞	−0¾	11.86
E.D.C. 11¾ 87	100	100⅜	100⅞	−0¼	−0⅜	11.54
E.B.F. 11⅛ 93	100	92⅞	93⅜	−0⅛	−0⅝	12.38
E.E.C. 11 87	350	98⅛	98⅝	−0½	−1	11.52
E.I.B. 10⅝ 93	200	92⅝	93⅛	−0⅛	−0⅛	12.81
E.I.B. 11 91	125	95⅛	95⅝	−0¼	−0⅜	11.89
E.I.B. 11⅞ 93	150	98⅛	98⅝	−0½	−0⅜	12.16
Electrolux 10½ 90	50	91½	91⅞	−0¼	−0½	12.45
Enserch Fin 11⅝ 93	100	95¾	96¼	−0⅛	−0⅛	12.33
Fuji Int Fin 10⅞ 90	100	94⅛	94⅝	0	+0⅜	12.10
Gen Elec Credit 9⅝ 91	100	91⅞	92⅜	−0¼	−0⅛	11.31
GMAC O/S Fin 10½ 00	200	96½	97	−0¼	−0⅛	11.22
Honeywell Int 10¾ 90	100	97½	98	−0¼	−0⅜	11.23
Indust Bk Japan 10⅞ 00	100	97⅛	97⅝	−0¼	−0½	11.61
Japan Air Lines 10⅞ 88	42	92½	93	−0⅛	−0⅜	11.93
Japan Air Lines 11 93	75	95¼	95¾	+0⅛	−0⅛	11.78
J. P. Morgan 11⅞ 90 WW	150	98⅛	98⅝	−0½	−0⅜	11.72
Levi Strauss Int 11 90	75	96⅞	97⅜	−0¼	−0½	11.61
L.T.C.B. 10¾ 90	100	94	94½	−0⅜	0	12.42
L.T.C.B. 12½ 00	85	103	103½	−0⅛	+0⅛	11.79
Merrill Lynch 10⅞ 90	200	95⅛	95⅝	−0¼	−1⅛	11.64
Mitsubishi Corp 10½ 90	100	94½	95	−0⅛	+0⅛	11.68
Mitsubishi Fin 11¾ 90	100	96⅝	97⅛	−0½	−0¼	12.65
Nippon Credit 11 90	100	94⅞	95⅜	−0⅜	−0¼	12.08
O.K.B. 10 91	100	90⅝	91⅛	−0⅝	−0⅛	11.87
Ontario Hydro 10⅛ 88	250	93⅛	93⅝	−0¼	−0⅛	11.88
Ontario Hydro 11⅛ 89	200	99¾	100¼	−0⅜	−0⅜	11.23
Prudential O/S 10⅝ 93	100	95⅝	96⅛	−0⅛	−0¼	11.33
Prudential O/S 12¾ 87	150	103⅞	104⅜	−0⅛	−0⅛	11.41
Quebec Hydro 11⅛ 93	100†	95½	96	−0½	−0⅝	12.18
Saskatchewan Pr 10⅝ 90	125	95	95½	−0½	−0⅛	11.58
S.N.C.F. 11½ 93	100	96⅝	97⅛	−0¼	−0⅛	12.04
Sth Cal Edison 10½ 00	75	96¼	96¾	−0½	−0⅜	11.25
Sumitomo Fin 10⅞ 00	100	94¼	94¾	−0⅜	+0⅛	12.08
Swiss Bk Corp 10⅛ 90	250	99	99½	−0⅛	−0½	10.33
Texaco Capital 9¾ 90	150	93⅝	94⅛	−0⅛	−0⅜	11.08
U.B.S. 10 88	100	97¾	98¼	−0½	−0½	10.54
U.B.S. 11 00	150	101½	102	−0½	−0⅝	10.58
Westpac Int Fin 11 90	100†	94	95	−0½	−0⅛	12.23
World Bank 10⅝ 88	150	96⅝	96⅞	−0¼	−0⅜	11.33
World Bank 10⅞ 93	100	94⅛	94⅝	−0⅜	−0⅜	11.87
World Bank 11⅛ 88	100	98⅞	99⅜	−0¼	−0⅛	11.47
World Bank 11½ 90	150	98⅛	98⅝	−0⅜	−0⅜	11.84
World Bank 12 93	200	99⅞	100⅜	−0⅜	−0⅝	11.87

Av. price changes: on day −⅜, on week −½

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Air Canada 7⅞ 93	100	101⅛	102	+0¼	+2¼	7.11
A.N.A.S. 8¼ 88	100	98⅞	99⅜	−0½	−0¼	8.48
Arab Banking Corp 8 88	100	96⅞	97⅜	−0¼	−0⅛	8.74
Austria, Rep 7⅝ 89	100	99⅝	100⅛	−0⅛	+0⅜	7.64
Austria, Rep 8 93	100	101⅛	101⅝	−0⅛	+0⅜	7.78
Avon Int Fin 7½ 93	100	99⅝	100⅛	−0⅛	+0½	7.47
Beatrice Foods 7¾ 93	130	102⅝	103⅛	−0¼	0	7.33
B.F.C.E. 8¼ 90	150	101⅞	101⅞	0	+0⅜	7.82
Comp Tel Nac Esp 8¼ 93	100	96⅝	97	−0¼	+1⅛	8.75
Dresdner Finance 4 90 WW	250	104⅝	105¼	−0⅝	+2⅞	3.18
Dresdner Finance 4 90 XW	250	83⅞	84⅜	0	−0⅛	7.04
E.C.S.C. 8 90	100	101⅛	101⅝	−0¼	+0¼	7.72
E.E.C. 8¼ 93	250	101½	102	−0½	−0½	7.97
E.I.B. 8 93	200	98⅞	99⅜	−0⅛	−0⅜	8.13
Eurofima 7½ 90	100	100	100½	−0¼	+0¼	7.44
Finland Rep 7½ 88	150	98⅞	99⅜	−0⅛	−0⅛	7.72
Int Standard Ele 7¾ 93	100	100⅝	101⅛	−0⅛	+0⅜	7.65
Ireland 8⅝ 91	150	99½	100	−0⅛	−0⅜	8.67
Japan Dev Bank 7½ 90	100	100⅞	101⅜	−0⅜	+0⅜	7.27
Kobe City 7 93	120	96⅝	97⅛	−0⅜	+0⅜	7.44
L.T.C.B. 8 90	100	102¼	102¾	−0¼	+0¼	7.51
Renault Acceptance 8 90	150	97⅞	98⅜	−0¼	−0⅛	8.36
S.D.R. France 7⅞ 93	100	97	97½	0	+0⅜	8.29
Sth African Tran 8¼ 90	100	98⅞	99⅜	−0⅛	−0⅛	8.41
World Bank 7½ 90	250	97⅝	98⅛	0	+0⅛	7.91
World Bank 7⅞ 88	300	99¾	100¼	−0⅛	+0⅜	7.87

Av. price changes: on day −¼, on week 0

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
AKZO 5⅝ 93	100	99	99¼	+0½	0	5.74
Bank of Tokyo 6 91	100	102¾	103	*	*	5.54
Bergen, City of 5¾ 95	40	99	99¼	−0⅛	−0½	5.86
Carls Tuborg Brw 5¾ 93	60	101½	101¾	−0¼	0	5.52
Denmark 6⅜ 91	100	102¼	102½	−0⅛	−0¼	5.90
E.D.C. 5⅞ 91	100	100⅝	100⅞	0	+0⅛	6.28
E.I.B. 5¾ 93	100	95½	96	−0⅛	−0⅛	5.92
Ex-Im Bk Japan 5⅝ 91	100	99¼	99½	0	+0¼	5.72
Ind Fund Finland 6⅛ 91	40	101	101¼	0	+0¼	6.06
Int-Am Dev Bk 6⅛ 93	100	100	100¼	0	−0¼	6.10
Japan Dev Bank 5½ 93	100	99	99⅜	+0¼	+1¼	5.62
Japan Dev Bank 5⅞ 93	100	100⅝	100⅞	−0½	+0⅜	5.81
Kansai Elec Power 6 91	100	102⅜	103	−0¼	+0⅛	5.63
Kawasaki Steel 6⅛ 91	100	101⅝	101⅞	−0¼	−0⅛	5.83
Montreal Urban 5¾ 93	100	101½	101¾	−0⅛	0	5.52
Mount Isa Finance 6 93	100	102¼	102½	0	−0¼	5.67
Nisshin Steel 6¼ 91	100	100	100¼	0	0	6.22
Osterr Draukraft 6 93	100	102⅝	102⅞	+0⅛	+0⅝	5.62
Osterr Post 6⅛ 91	100	102⅝	103	+0⅜	+0⅜	5.65
Quebec Hydro 5½ 93	100	101	101¼	0	+0⅜	5.34
Sekisui House 6 93	100	101	101¼	0	+0½	5.84
Sumitomo Heavy Ind 6 91	100	100⅛	100⅜	+0⅛	+0⅝	5.98
Sumitomo Metal Ind 6 91	100	100½	100¾	0	+0¼	5.89
Tokyo Elec Power 5⅞ 91	100	100⅝	101	0	+0⅛	5.73
Trizec Corp 6⅛ 91	100	101⅜	101⅝	+0⅜	−0⅛	5.90
World Bank 5⅝ 93	100	99	99¼	0	+0½	5.74

Av. price changes on day 0, on week +¼

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅝ 92	15	104⅝	105⅛	0	+0½	7.83
E.I.B. 8⅛ 92	15	102⅛	103⅛	0	+0⅛	7.75
Japan Airlines 7⅝ 87	8†	101⅛	102⅛	0	+0⅛	7.06
New Zealand 7⅝ 89	15	102⅜	102⅞	0	+0⅛	7.12
World Bank 8⅛ 92	20	103½	104⅛	0	+0⅛	7.72

Av. price changes: on day 0, on week +⅜

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Farm Credit 12⅛ 00 C$	75†	98¼	98¾	−0¼	+0⅛	12.58
Norcen 12⅝ 93 C$	80†	96⅝	97⅛	−0⅜	+0⅛	13.32
TD MTG Corp 12½ 88 C$	40†	100⅛	100⅝	−0⅜	+0⅜	12.38
Quebec Hydro 12¾ 93 C$	50†	99⅛	99⅝	+0⅛	+1	12.84
Royal Trustco 12⅝ 88 C$	50†	99⅛	99⅝	0	+0⅛	12.78
World Bank 12¼ 00 C$	75†	99	99½	−0⅛	+0⅛	12.42
Xerox Canada 12 88 C$	40†	101⅞	102⅜	−0⅜	−0⅛	11.39
E.E.C. 11¼ 93 ECU	70	100	101	−0¼	0	11.18
Genfinance 11 90 ECU	60†	98½	99½	−0⅛	+0⅜	11.21
Algemene Bank 8⅝ 88 Fl	100	100¼	100¾	−0¼	0	8.61
Bank Mees & Hope 8 89 Fl	75	100⅜	101⅜	−0½	−0¼	8.70
Elect Sup Brd 8⅝ 88 Fl	75	97⅜	97⅞	−0⅜	−0⅛	9.38
P.H.P. 8⅝ 88 Fl	50	99⅞	100⅜	−0⅜	−0¼	8.70
Swed Exp Cred 7¾ 88 Fl	100	95⅝	96⅛	−0⅜	+0⅛	8.85
World Bank 9 88 Fl	100	102½	102⅞	−0¾	−0¼	9.36
O.K.B. 14 88 FF	400	100½	101½	0	0	13.37
Solvay & Cie 14¾ 88 FF	200	101⅞	102⅜	−0⅛	0	13.48
B.F.C.E. 11⅛ 88 £	50	97⅞	98⅜	−0¼	−0⅜	12.81
British Oxyg 11¾ 01 £	50	100	100¾	−0¼	0	11.64
CEPME 11¼ 95 £	35	98⅜	99¼	−0¼	−0¾	11.43
E.E.C. 11⅞ 01 £	50	99½	100	−0¼	−0⅛	11.90
E.E.C. 11¾ 93 £	50	99⅛	99⅝	−0¼	−0⅜	11.86
Fin For Ind 10½ 90 £	25	93⅞	94⅝	−0⅛	−0⅛	11.77
Finland Rep 11⅞ 88 £	50	98⅞	99⅜	−0⅛	0	12.07
Fin Mot Organ 12⅝ 92 £	30	101⅝	102⅛	−0¼	−0¼	12.24
Gen Elec Co 12½ 88 £	50	102½	103½	−0⅛	+0¼	11.87
I.C.I. 10⅝ 93 £	25	93	93½	−0½	−1⅛	11.94
Mort Bk Fin 11⅝ 00 £	15	96⅝	97⅛	−0⅛	−0¼	12.40
Norsk Hydro 12 90 £	30	102	102⅝	−0¼	−0⅛	11.42
Sweden 11⅜ 93 £	50	96⅛	96⅞	−0⅛	−0½	11.86
Swed Exp Cred 11¼ 88 £	30	97⅛	97⅝	−0½	0	11.97
World Bank 11⅛ 93 £	100	97⅞	98½	−0¼	−0½	11.63
World Bank 11¾ 01 £	75	99⅞	100⅜	−0⅛	−0¼	11.35
Euratom 11 93 LuxFr	500	100⅛	101⅛	+0¼	−0⅛	10.74
Europarat 10¾ 93 LuxFr	600	102⅞	103⅞	+0⅛	−0¼	10.24

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
B.F.C.E. 5¼ 87	0¼	99⅞	100	27/1	10⅝	10.69
B.F.C.E. 5⅛ 88	0¼	99½	99¾	28/1	10.18	10.21
Caisse Nat Tele 5¼ 90	0⅛	98¼	99½	21/10	9.56	9.62
C.S.F. 5¼ 95	0¼	95⅝	96⅛	7/4	9.94	9.99
C.C.F. 5¼ 98	0¼	99⅞	100⅛	24/3	10.19	10.19
Cepme 5¼ 88 WW	0⅛	99½	100	3/12	10.56	10.59
Cepme 6⅛ 92	0⅛	99⅝	100	10/12	10½	10.51
Chemical NY 5⅛ 94 ††	0⅛	100⅛	100⅝	23/12	10	9.93
C.N.C.A. 5¼ 95 XW	0¼	99¼	99½	7/12	10	10.06
C.M.T. 5¼ 97	0¼	99	99¼	8/11	9¼	9.33
Credit Agricole 5¼ 97	0¼	96½	96⅞	24/3	10.31	10.35
Credit Lyonnais 5¼ 94	0⅛	99½	99⅞	0/1	10.31	10.36
Credit Lyonnais 5¼ 97	0¼	99⅝	99⅞	1/4	10	10.05
Credit Nat 5⅛ 94	0¼	98⅝	99⅜	6/3	10¾	10.78
E.D.F. 5¼ 95 XW	0¼	99⅞	100⅛	10/2	11⅜	11.38
E.E.C. 5 90	0⅛	99¾	100⅛	5/1	10.10	10.10
Kansallis Osake 5¼ 92	0¼	100⅛	100⅝	6/11	9⅛	9.08
Long Term Cred 5⅛ 92	0⅛	100	100¼	27/11	9¾	9.74
J.P. Morgan 5⅛ 97 §	0¼	100⅝	101	12/11	10.81	10.72
New Zealand 5¼ 87	0⅛	100⅛	100⅝	7/4	9⅞	9.85
NZ Steel Dev 5¼ 92	0¼	100⅛	100⅝	22/12	10¼	10.21
Nippon Credit 5¼ 90	0⅛	100½	100¾	10/2	11¼	11.18
Soc Generale 5⅛ 00 XW	0¼	99¼	99½	8/11	9⅛	9.18
Société Générale 5⅛ 95	0¼	99⅞	100⅛	1/3	10.31	10.31
Sweden 5¼ 89	0¼	100⅛	100⅝	26/2	10.19	10.10
Sweden 5¼ 03	0¼	100⅛	100⅝	3/2	11.18	11.13

Av. price changes: on day 0, on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Bridgestone Tire 5½ 98	3/82	470	116⅝	117⅝	−1½	4.26
Canon 7 87	7/82	748.2	223⅞	225⅜	−3⅛	8.79
Daiwa Sec Co 5⅛ 98	10/83	500	96⅝	97⅝	−0½	2.35
Hitachi Cable 5⅛ 96	2/82	515	108⅞	109⅞	+0⅛	1.54
Honda Motor 6¼ 98	6/83	884	113⅜	114⅜	−1⅝	8.54
Honda Motor 5½ 97	3/83	758.6	130½	132	−2⅛	8.89
Kumagai Gumi 8½ 97	10/82	400	128⅝	130¼	+4⅛	2.91
Kyowa Hakko 6¼ 97	2/83	762	114¼	116	−0⅜	10.06
Minebea Co Ltd 5½ 98	5/83	687	133⅜	134⅜	−2¼	8.04
Mitsubishi Electric 5¾ 90	6/83	306	118	120	−0⅜	3.46
Nippon Electric 6⅛ 97	2/82	705.3	177⅞	178⅞	−2⅛	0.72
Nippon Oil Co 5½ 98	4/83	964	129⅜	130⅜	+2⅛	5.80
Nissan Motor 5⅝ 98	4/83	770	100⅝	101⅝	−0⅛	9.28
Olympus Optical 6⅛ 97	12/82	1331	100	100½	0	8.25
Orient Finance 5¼ 97	3/82	927.2	93⅝	95⅛	−0½	2.04
Orient Leasing 5⅛ 98	6/83	2000	96⅝	97⅝	−0⅜	−4.38
Secom 5 98	11/83	2920	118⅝	120⅛	−0¼	−0.11
Sumitomo Electric 5½ 97	3/82	677.3	118⅛	119⅝	−0½	−0.17
Yamaichi Sec Co 5 98	8/83	472	94⅝	96⅛	−0⅜	0.65
Yamanouchi Pharm'cal 4 90	10/83	1880	95⅜	96⅜	+0⅛	6.32
NEC Corp 3½ 93 SF	8/83	978	149½	151½	−1¼	−0.32
Settsu Paper 3⅝ 93 SF	9/83	718	101⅞	103⅞	+0¼	13.58
Asics 5 92 DM	12/83	528	106½	107½	−0¼	12.55
Konishiroku 6⅛ 89 DM	8/82	816	119¼	120¼	0	1.33
Sum Realty 6¼ 92 DM	2/83	385	128⅞	129⅝	+0⅛	−3.14

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn = current coupon. C.yld = current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

FINANCIAL TIMES SURVEY

ADVERTISING

MARKET • MEDIA • SERVICES

Improved company profits and buoyant consumer spending are among reasons for optimism in the UK advertising industry. The City, too, sees the industry as a sound investment judged by the welcome given by the market to agencies

Pat on the back from the City

BY FEONA McEWAN

THE UK advertising industry is looking forward to 1984 in remarkably fine fettle. Leaner and fitter, it appears to be entering calmer waters after weathering the recession.

This seemingly happy situation which has arisen notwithstanding the continuing high UK unemployment figures, is the result, the Advertising Association in London says, of two key influences on expenditure: improved company profits and continued high levels of consumer spending.

If these trends continue, says the AA, this year and next could show "reasonable (if not considerable) growth". It contends that the basic strength of advertising expenditure during the 1981-82 recession has been that for the majority of consumers who have had more on average to spend each year since 1977 there has been little or no recession. At the same time many large companies last year announced a new policy of "advertising through recession".

Much of the industry's new-found strength comes from its rising stature in the business world. The old-fashioned image which sees advertising as a fringe expenditure not a mainstream investment, is finally being shaken off.

The number of agencies whose shares are traded on the Stock Exchange—among them Saatchi and Saatchi, and Geers Gross, together with newcomers Wight Collins Rutherford Scott and Boase Massimi Pollitt—has added to the eura of respectability surrounding the industry. Creatively too, the UK continues to maintain a high international reputation.

"The City now recognises advertising as a business to invest in: one that offers above average prospects in terms of price/earnings ratio," according to Phillips and Drew. "There's a realisation that advertising is more than a fashion," says another City analyst, "that it is part of the economic and industrial jigsaw, and that the good ones are worth investing in. The stock market is interested in any capital intensive operation, especially high tech and people businesses."

One of the industry's leading personalities, Jeremy Bullmore, chairman of the AA and of J. Walter Thompson in London, says: "I think there's been quite a significant change in understanding of the social and economic function of what we do.

"In stark contrast to the recession of 74/75 there's much greater recognition in companies at board level of advertising as an investment, not a cost," he says.

For the moment anyway he believes that the case for commercial advocacy through advertising is finding a sympathetic ear in government, consumer and manufacturing circles: the beginning of an understanding that advertising does not mean higher prices, that at its best it can mean increased company efficiency, putting a brake on costs and ultimately lower prices to the consumer.

'More companies see advertising as an investment, not a cost'

This effect is clearly visible in the U.S. where de-regulation of certain professions such as opticians and solicitors has led to quite startling concessions to consumers. U.S. Government figures have shown that consumers pay about 32 per cent less for spectacles in areas where opticians advertise. In January, the Office of Fair Trading came to the conclusion that prices of spectacles in the UK were higher and efficiency lower than if there were no advertising restrictions.

Pats on the back, however, are dangerous, given that prevailing wisdoms can change. As one agency chief put it, "We may be flavour of the month in the stock market but it would be foolish to be complacent." It remains crucial, in what is essentially a service industry, facing, as it does increasing fragmentation of audience, that its practitioners extract the highest quality of information from the market place in order to meet clients' changing needs.

This puts a premium on marketing research tools and new technologies such as laser scanning which tracks store movements by item making it possible to quantify and measure advertising performance.

For the moment however, the financial facts confirm the overall picture of considerable buoyancy. In terms of overall advertising expenditure, the industry registered an all time high of £3.126bn, an increase of nearly 3 per cent in real terms over 1981, with a predicted 6 per cent rise for 1983. This was spread evenly across all media bot cinema, which remained static.

Television, now boosted by Channel 4—the influence of which is starting to tell—walked off, predictably, with the lion's share of the revenue—£928m (including production costs), a gain of about 15 per cent over 1981, taking its share of the total media cake to 28.7 per cent. This buoyancy looks set to continue with a considerable real growth of around 10 per cent by the end of this year. One reason for this, suggests the AA, is that television advertisers tend to be those industries which recover fastest from a recession.

The fairer economic outlook has helped press advertising with the revival of classified—a victim of the lengthening dole queue—recouping its lost revenue with a 5 per cent real growth over 1981 levels and a further 6 per cent expected for 1983. Display advertising is expected to show similar growth.

Among magazines, trade and technical look like doing best with 7 per cent real growth this year and a prospected 5 per cent in 1984. National newspapers including colour supplements are expected to grow by 5 per cent this year in real terms, regionals up 3 per cent and 7 per cent predicted for 1984.

As a result of the firce price war, colour supplement magazines can expect to see a fractional growth this year of just 1 per cent and a further 7 per cent in 1984.

Financial and industrial sectors look set for a very buoyant future over the coming two years, too.

Direct mail—which the Post Office reminds us is the third largest advertising medium in the UK—last year recorded £341m expenditure. Very much a computer-led medium, direct mail has grown distinctly more successful in recent months as targeting procedures have been refined.

Directories and freesheets reflect a significant increase in percentage terms over 1981—up to £124m and £136m, a 28 per cent and 34 per cent growth respectively.

Commercial radio has held up well in the face of competition from morning television and local freesheets with a real growth of 8 per cent for the first half of 1983 though the second half figure is expected to be down.

The swelling of the total media cake is influenced partly by the emergence of new markets. Increasingly, mainstream advertisers are coming forward from aras such as new technologies, office equipment, leisure items, and financial institutions which give the industry a broader business base.

The following figures illustrate this trend: office equipment (total advertising spend) in 1974 was £9m in constant terms compared with £27m in 1982, a 300 per cent growth; leisure equipment notched up £80m in 1974 (constant terms) and £156m in 1982, nearly 200 per cent growth.

Perhaps the most significant trend in recent months and one that continues to send tremors down many an agency backbone is increasing rationalisation among the multinational advertisers. This involves concentrating their business in fewer agencies but ones which have more international links. This, says its supporters, can reduce costs and improve co-ordination and continuity.

In the past month, Beechams, Colgate/Palmolive and Gallaher have been reported to be re-aligning their business worldwide. The first half of the year saw other well-known names moving house in a bid for better co-ordination including Cinzano, Parker, Kodak, Max Factor and Lee Cooper.

As more international companies reassess their marketing strategy on the world stage, the forward-thinking agency is being forced to consider forging international links of some description. There are various ways: by merger, as Pincus Vidler Arthur Fitzgerald looks set to do with SJIP/BBDO giving it worldwide ties with parent company BBDO International; minority stake, such as Collett Dickenson Pearce has arranged with Young and Rubicam; or majority stake as the Lowe Howard-Spink deal with Wasey Campbell-Ewald which has links with the worldwide Interpublic network; or the straightforward acquisition as with Saatchi and Saatchi which this year added the American McCaffrey and McCall to its stable.

Global advertising is, of course, the cornerstone of the Saatchi philosophy, and one that has done them no harm. It is a philosophy that the American conglomerates, which continue to dominate the UK scene with 13 out of the top 20 agencies, have followed for decades.

'Rocketing television costs continue to cause concern'

That is not to say however, that the giants will have it all their own way. Business on a relatively more modest scale among these smaller specialist agencies that survive birth, be they creative hot shop, sales promotion company or media independent, is similarly fast and furious. There is room enough for both brands.

Beyond this upbeat message from what is after all an upbeat industry however, there are the inevitable shadows. Rocketing television costs continue to cause concern (the cost of airtime has risen by 300 per cent in the eight years to 1982); dismay at poorer television audiences blamed by many agencies on poor programming (though the latest viewing figures indicate the tide may be turning); pinched commission rates; fear of European broadcast legislation; anxiety over cable and its advertising stance; the influence of video tape recorders (now more than 20 per cent penetration); and the continuing challenge of the self-service retailer whose own-brand labels continue to rival market share and volume sales of established brands.

At the same time there are also the major social changes, attitudes and behaviour, which today's marketeer must consider if he is to stay in touch. The prevalence of one-person homes (now one in 10) and an ageing population must be reflected in advertisements where once there was the cosy mum, dad and two children omit.

As we move towards the one-person-one-television society, the small screen increasingly becomes a personal medium, like an electronic magazine, and marketeers will be required to adopt a more personal tone.

Ultimately, the key to the future health of the advertising industry remains the degree and ease with which its practitioners can harness the new technologies in a way that best meets their clients' needs, offering as they do, unimaginable permutations of conveying a message.

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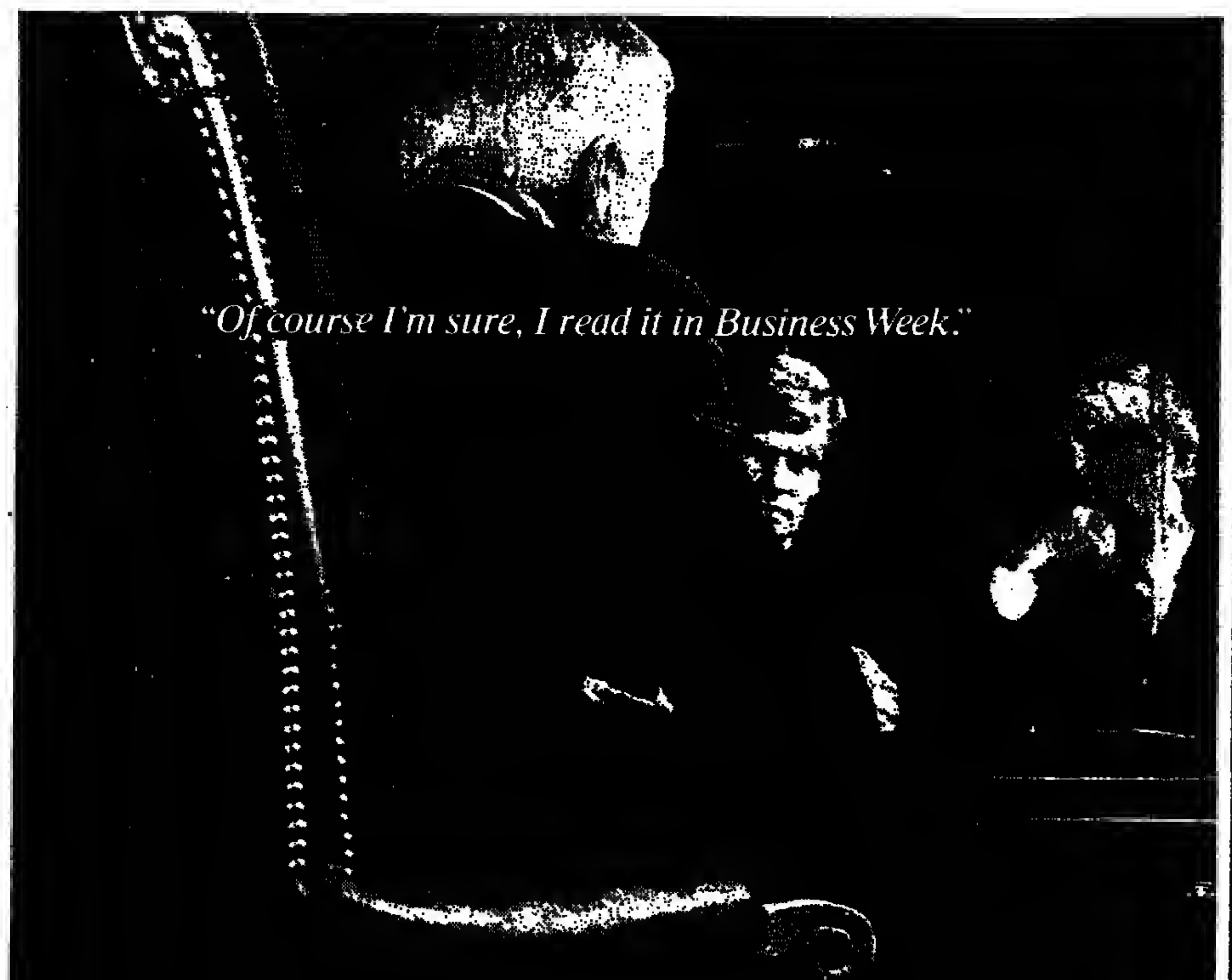


Feona McEwan looks at the changes among the agencies

More liaisons and marriages

THE YEAR of 1983 will be noted as the year the City widened its definition of successful agencies beyond Saatchi and Saatchi and Geers Gross; the year when "rationalisation" was the "in" word; the year when the bright young small shops became the bright young larger shops and the year when creative directors, that hottest of seats, were hard to come by.

Most of this is nothing new. The agency scene is well used to the regular cycle of births, marriages and deaths. It remains the case that whatever the client or agency manoeuvrings, the industry continues to be dominated by the American-based multinationals.

These, despite the onward march of Britain's home-grown shops, Saatchi and Allen Brady Marsh apart, hold 13 of the top 20 placings in the Campaign league table for 1982. [The league is based on claimed billings by agencies in England, Scotland and Wales.]

There will be some notable additions to the 1983 league table as a result of the spate of agency liaisons in recent weeks.

Barrier broken

Britain's biggest shops in 1982 remain Saatchi and Saatchi, J. Walter Thompson which broke the £100m barrier and D'Arcy MacManus and Masius. Several significant shuffles in the pecking order include ABM which rose to number six with billings of £65m. Leo Burnett jumped five places into the top 10 behind them with billings of £64.70m against previous innings of £42.9m.

Ogilvy & Mather, Davidson Pearce and Grey Advertising also improved their rating. The one newcomer in the top 20 was Abbott Mead Vickers SMS up from 26th in 1981 with £20.55m billings to 20th with £29.6m.

Out went Wasey Campbell-Ewald (now of course merged with Lowo Howard-Spink and, like a phoenix, on the rise again with joint billings of some £50m) from 17th to 23rd. Interestingly, it was Lowo which made the biggest advance in 1982 in the next section of the league table. From 105th place in 1981 (the year it began trading) it catapulted 64 places to become joint 41st with the Hutton Company claiming billings of £18.4m.

It does seem the case that while the familiar names will continue to flourish, the injection of fresh blood will continue to challenge the running order.

The startling emergence of the Lowe Howard-Spink Campbell-Ewald unit earlier this month is probably the most significant agency event of the year to date. It is in effect a reverse takeover, a small British creative hotshop annexing the UK subsidiary of one of the world's largest American agencies, Interpublic—a concession not previously undertaken by the group.

There are those who doubt the wisdom of the move for Lowe, fearing the dilnting of that agency's creative flair, but, on the whole, industry reaction has been to applaud such a bold manoeuvre. It is seen in many quarters as an endorsement of British creative talent, still regarded as about the best in the world.

Frank Delano, American president of Marschalk Campbell-Ewald Worldwide, said at the time: "If you believe like many people in America that the best advertising in the world is done in the UK it is very important for people trying to build up a creative system worldwide to have a front runner in Britain."

The merger is another sign of urgent need felt by a number of smaller British agencies to seek overseas links to ensure their future growth. The number of multinational clients involved in realigning their agencies worldwide—already this year, Gallaher, Beecham, Procter & Gamble, Colgate Palmolive and before that Parker, Max Factor, Lee Cooper, and Cinzano, only serves to reinforce the need.

Equally, it must be said, there is a vehement contingent including some of the fastest-growing young agencies like Wight Collins, Rutherford Scott and Leagas Delaney that maintain their strengths lie in their very autonomy.

None the less, the year has seen its share of liaisons of one sort or another: NCK Organisation with Foote Cone and Belding, Pincus Vidler, Arthur Fitzgerald, with SJIP/BBDO, Collett Dickenson Pearce and Young & Rubicam, Saatchi's, New York acquisition of McCaffrey and McCall.

Alternative routes for growth and one that is becoming more appealing by the year is the City route. Now the spadework has been done, thanks to the consistently outstanding performance by the brothers Saatchi, and also Geers Gross. Now with the arrival of pacesetters Wight Collins Rutherford Scott (which was the first of the new breed in the 1979 cycle of breakaway agencies and looks like surpassing its forecasts) on the Unlisted Securities Market, followed by Boase Massimi Pollitts successful entry on the stock market (its turnover is reported up by about 22½ per cent in the six months to end of June) the industry has never looked so attractive to the City.

It is dangerous to draw too many conclusions at such an early stage, but it seems clear that the City is starting to view the communications industry as a solid investment and thus endorsing its future.

Global marketing and advertising is nothing new, but it is commonly acknowledged that the pace has drastically quickened. The argument for alignment of multinational agencies by multinational clients is based on several premises. For a start being a top client within an agency ensures top service, continuity and top talent. "It's very hard for a multinational company to get first class agency service in some of the smaller advertising markets of the world such as the Far East, South America, and parts of Europe," says Winston Fletcher, chairman of Ted Bates, in London.

Disadvantages

Disadvantages of going the multinational route for clients are that it can sap the drive of local agencies and management who have strategies forced on them from an overseas agency.

Whatever the swing to the multinational agencies, there will always be the huge reservoir of local clients, such as British Rail, the Milk Board, or a retailer or some regional operation of a multinational group that is autonomous, so there is always likely to be room for the good local agency.

If the industry has never looked so businesslike at one end of the spectrum, not all agencies are so profitable, alas. The Institute of Practitioners in Advertising which represents about 85 per cent of the agency world, reports that it is an area of major concern, with agency profits declining in the last two years.

Figures indicating net profit as a percentage of turnover were 1.95 per cent in 1980, 1.65 per cent in 1981 and falling to 1.38 per cent in 1982. As a percentage of income these figures read 12.2 per cent in 1980, 10.4 per cent in 1981 and 8.6 per cent in 1982.

The reason for this says David Wheeler, director of the IPA, is that while there is a reduction in the numbers employed from 15,500 in 1980 to about 14,000 now (though some say the figure is nearer 11,500) salary increases and the pressure to provide more and more client services are eating into profits.

The agency profile is sleeker this year with a decline in numbers showing that at the end of 1979 there were some 31[illegible] agencies which has shrunk to about 290 now.

The dearth of senior management talent, particularly on the creative front, is alarming to a nation that reckons it can produce the best advertisements in the world. Not so long ago there was the unheard-of position of five top agencies without creative directors — including Benton and Bowles, Leo Burnett, Foote Cone and Belding and Geers Gross. It remains a problem for the larger houses when the appeal of small shops can include a stake in the equity.

Another area of concern to agencies, concerned as they are with protecting brands, is the growing power of the retail trade with their own-label products. This, they say, is forcing established manufacturers to deal, lower shelf prices, promote heavily and find the funds to do so. The answer is seen as the return of brand value. Tied to this is the importance of product superiority and differentiation. The way to achieve this is product research, neglected at the end of the 70s.

Mike Chapman, vice chairman of Ogilvy and Mather, urges the continual need for the industry to prove and quantify its actions. As fragmentation of audiences increases (cable will see to that soon and satellite probably before then, if Rupert Murdoch's SATV gets the go ahead next year) so too must quality of information from the marketplace improve.

The sea change fast approaching the whole advertising industry remains the switch from broadcasting, the business of mass communication, to narrowcasting, the ability to reach finely targeted audiences, which will be the case when cable and satellite are fully operational.

CAMPAIGN 1: PHILIPS

A youthful approach

PHILIPS HAD a problem. It had an established name and reputation in the television and video recorder markets but its image was dated. It meant little to the under-35 age group, the purchasers likely to be most interested in the new generation of its consumer durables.

So, like many companies before it, Philips changed agencies, signing up Leagas Delaney to handle the advertising of its TV sets and recorders. This was in 1981. By the spring of 1982 the agency had come up with a formula that not only carried off virtually all the top radio advertising awards but which also seems to have fulfilled its brief—to increase awareness and appreciation of Philips among the younger consumers.

The agency called in two of the stars of "Not the Nine O'clock News," Mel Smith and Griff Rhys Jones, who were anxious to expand into radio commercial production. Leagas Delaney, in the words of Ron Leagas, "doesn't treat radio as a second-rate medium," and radio was the obvious choice for reaching the under-35's.

The commercials were made in an unusual way—the comedians entering the studio with rough ideas rather than a finished script and recording the commercials spontaneously, guided by an agency producer.

The aim was to use the two as actors rather than go for the personality promotion approach favoured by competitors Sony, with John Cleese, and Ferguson, with Andre Previn. Leagas Delaney believes that quality commercials on radio stand out much more than on television and has a shelf full of gold awards to prove it.

Philips is reluctant to release information on how its market share has moved on the back of the advertising but it confirms that attitudes have changed among the young, that in the £900m colour television market its 12 per cent share (roughly brand leader with Ferguson) is growing and that in video recorders it is having a difficult time pushing its own system against the established competition. It believes, however, that when the next technological generation arrives its separate path will have proved worthwhile.

This autumn the agency is adopting a fresh approach. It is launching a new range of colour television sets. In the past the set has been very boring and lacking in aesthetic appeal. Now it is being promoted as almost a fashion accessory with large flat screen, stereo sound, and a much improved quality of picture. The Philips slogan has traditionally been "Simply years ahead": now it hopes it is proving it, thanks to investing 7 per cent of its revenue on research and development.

Philips is also using posters for the first time, employing a three-dimensional effect, with the TV set picture actually standing out from the site. To a great extent this is a marking-time period for the makers of televisions and accessories, with new developments just about to happen. One that is now appearing is the Teletext, a television which also emits printed matter simultaneously. This will have wide-ranging commercial implications.

Leagas Delaney has only £4m of a total Philips advertising budget of £18m, which is much less than its competitors, especially the foreign suppliers, but it is working harder. Smith and Rhys-Jones are not involved with the latest batch of advertising but their contribution has established Philips, Leagas Delaney and themselves as lively marketeers of what was once considered a colourless range of consumer durables.

Antony Thorncroft

Reshuffle among the big spenders

WHO IS Britain's biggest advertiser? Unilever, Procter & Gamble, or Tesco? The simple answer is all three companies, since each can lay claim to being the biggest advertiser according to whatever definition is used.

Unilever ranks as the biggest of all according to one definition based on information calculated by Media Expenditure and Analysis Limited (MEAL). This league table is based on advertising by holding companies, rather than trading operations, since many companies negotiate group discounts or have group advertising policies.

On this basis, Unilever is calculated to have spent some £87,421,107 on Press and television advertising last year, through its many subsidiaries including Birds Eye Walls, Batchelor Foods, Lever Brothers, Van Den Berghs, and Elida Gibbs among others.

This large advertising spend puts it a long way ahead of the field, with the pack led by the Mars group with a spend of almost £47m. This amount is spread mainly between the confectionery business and Pedigree Petfoods, with a contribution of just under £1m from Dornay Foods.

Third in this league table (but ahead of the game is another) is Procter & Gamble with an advertising spend last year of almost £46m. This spend, however, is entirely from the P. & G. operation, since there are no other UK subsidiaries.

Fourth and fifth in the league table of holding companies are Cadbury Schweppes (£39.8m) and the Imperial Group (£34.8m). Both these companies include a number of smaller subsidiaries.

In sixth position is the British Government with a total advertising spend of £30,773,401 in 1982 on Press and television. The list of departments is headed by the Department of National Savings, with a £5.6m spend, followed by the Health Education Council with £3.9m worth of advertising last year. Even the Office of Fair Trading has a budget of just over £½m.

The remaining holding companies in this list are Beechams, Allied Lyons, Kelloggs, and the Electricity Council.

So, by one definition at least, Britain's biggest advertiser is Unilever. But if you argue that many of these holding companies allow their trading subsidiaries to operate at "arm's length," then MEAL has also compiled a league table of the top advertisers from single companies.

Fight for leadership

This list is obviously headed by Procter & Gamble with its advertising budget of £45,776,000 in 1982. This is almost 90 per cent more than it spent on advertising in 1981, according to MEAL, and shows the determination of the U.S.-owned company to fight to regain its market leadership in various detergent and other markets which it has lost to Unilever's Lever Bros. Lever's, according to MEAL's figures, spent a mere £14.4m on advertising last year.

Procter & Gamble spends the overwhelming bulk (98 per cent) of its advertising budget on television with a mere 2 per cent—or £762,000—on the Press.

A long way behind in second place is Mars, which spent some £27.6m on advertising its confectionery in 1982, compared to £20.8m in 1981 when it was also second. Like P and G, Mars spends some 99 per cent of its budget on television, with only £362,000 on the Press.

Close behind Mars is Imperial Tobacco which has leapt into third place following a marketing reorganisation which has brought all its tobacco subsidiaries under one advertising umbrella. It spent a total of £26.2m in 1982, although there are no group figures available for 1981.

Unlike the companies above it in the table, however, Imperial spent more on the Press than on television. This was due to the ban on cigarette advertising on television. Its exact break-down of categories was 73 per cent for press advertising and 27 per cent for television (advertising pipe tobaccos and small cigars).

The company that had been in third place in 1981, Cadbury, has now slipped to fourth because of the ranking given to Imperial. Cadbury had a spend of £28m, compared with £19.2m in 1981. Some 99 per cent went on television advertising.

Into fifth place last year moved Kelloggs with a £24.6m spend, compared with the £13.8m in 1981 which gave it seventh position. Sixth was Rowntree Mackintosh, which had been fourth in 1981, followed by General Foods which had been in 19th place the previous year.

The Electricity Council remained in eighth place, followed by Pedigree Petfoods (the Mars' subsidiary) which had been 11th in 1981. The top ten last year was completed by Nestlé, which slipped from its sixth place of 1981.

Two companies had dropped out of the top 20 list compiled by MEAL. Brooke Bond Oxo slashed spending from almost £11m in 1981 to nearly £9m last year, thus sending it from 16th to 32nd position. Cadbury Typhoo cut its advertising by £700,000 to £8.2m and fell from 20th to 42nd position.

Their places were taken by the co-operative retail societies which more than doubled expenditure and rose 20 places to 18th position, and Vauxhall Opel, which just made the top 20.

Car manufacturers as a group spent considerably more in 1982 than the previous year, reflecting the slump in car sales. The Austin Rover group spent some £4m more, jumping four places to number 11, while Ford Cars spent an extra £3.5m and Renault doubled its spend to £7.5m.

But if Unilever and Procter & Gamble can both lay claim to being the country's biggest advertisers, then so can the Tesco stores chain. Tesco comes top of the list of individual brands—that is the amount actually spent on advertising a particular name or product.

According to MEAL, Tesco spent some £11.8m on advertising last year in its bid to establish its new market image, compared with £7.1m in 1981 when it was fifth in the league table. In 1982, Tesco followed by the co-op stores, spending just over £11m, with the MFI chain third with a £10m spend.

Last year's leader, the Woolworth stores chain, fell to sixth place as its advertising budget was cut during the turmoil of the change in ownership. Boots was in fourth place in 1982, one below its 1981 position.

Although retailers dominate the list of top ten brands, their influence appears to be on the wane. In 1981, there were eight retailers in the top, but the loss of Currys and Debenhams from the list has reduced it to six in 1982.

The newcomers last year were Vauxhall, Milk, Ariel Automatic, and Allied Carpets, with Dulux Paints and Guinness dropping out of the top ten.

The question remains: who will be the biggest spenders in 1983?

UK ADVERTISING EXPENDITURE

Year	Total expenditure in 1975 prices† (£m)	Total expenditure in current prices (£m)
1970	1,022	554
1971	997	591
1972	1,113	708
1973	1,259	874
1974	1,118	900
1975	967	967
1976	1,020	1,188
1977	1,110	1,499
1978	1,254	1,834
1979	1,285	2,131
1980	1,306	2,555
1981	1,287	2,818
1982	1,316	3,126

† Figures obtained by deflating the current price figures by Retail Price Index.

BRITAIN'S TOP TEN ADVERTISERS

	HOLDING COMPANY	£m	TRADING COMPANY	£m	BRAND	£m
1	Unilever	£67.4	P & G	£45.8	Tesco	£11.8
2	Mars	£47.8	Mars	£27.5	Co-ops	£11.0
3	P & G	£45.8	Imperial Tobacco	£26.2	MFI	£10.0
4	Cadbury Schweppes	£39.8	Cadbury	£26.0	Boots	£9.7
5	Imperial Group	£34.8	Kelloggs	£24.6	Vauxhall	£9.6
6	HM Government	£30.8	Rowntree Mackintosh	£21.8	Woolworth	£9.2
7	Beecham	£29.7	General Foods	£20.2	Milk	£7.5
8	Allied Lyons	£28.6	Electricity Council	£19.6	Ariel Auto	£7.3
9	Kelloggs	£24.6	Pedigree Petfoods	£18.2	Allied Carpets	£7.3
10	Electricity Council	£23.9	Nestle	£17.3	Asda	£7.1

Source: MEAL.

MEDIA SPENDING IN UK

Media	£m 1978	£m 1979	£m 1980	£m 1981	£m 1982	% of total 1978	% 1979	% 1980	% 1981	% 1982
National newspapers*	295	347	426	467	518	16.1	16.3	16.7	16.6	16.5
Regional newspapers†	483	593	640	684	737	26.3	27.8	25.0	24.3	23.6
Magazines and periodicals	143	180	192	200	209	7.8	8.4	7.5	7.1	6.7
Trade and technical	169	203	214	222	247	9.2	9.5	8.4	7.9	7.9
Directories	50	62	82	97	124	2.7	2.9	3.2	3.4	4.0
Press production costs	96	119	130	146	154	5.2	5.6	5.1	5.2	4.9
Total Press	1,236	1,504	1,684	1,816	1,986	67.4	70.6	65.9	64.5	63.5
Television‡	482	471	692	809	928	26.3	22.1	27.1	28.7	29.7
Poster and transport‡	68	87	107	115	124	3.7	4.1	4.2	4.1	4.0
Cinema‡	13	17	18	18	18	0.7	0.8	0.7	0.6	0.6
Radio‡	35	52	54	60	70	1.0	2.4	2.1	2.1	2.2
Totals	1,834	2,131	2,555	2,818	3,126	100	100	100	100	100

* Including colour supplements. † Including free sheets. ‡ Including production costs.
Source: Advertising Association.

Inside a Tesco supermarket: top of the advertising by brand spending table

CAMPAIGN 2: HELLMAN'S

Spreading the mayonnaise

FEW ADVERTISING campaigns have changed so radically as that for Hellmann's mayonnaise. For years the manufacturers, CPC, did not back the brand nationally. It was in an ambiguous market, a kind of rich relation to the bigger salad dressing business, and tended to get advertising support if there were funds available. The account had been with Boase Massimi since 1976, but only two regional TV campaigns had appeared.

Then CPC had an audit of its products and Hellmann's came out of it well: it was seen to be a very powerful brand leader in a growing market, so it was decided to boost the advertising for a sustained marketing attack.

Suddenly the advertising changed from a very up market commercial showing aristocratic actor Geoffrey Palmer at a grand dinner with a rabbit, and stressing the traditional line that Hellmann's mayonnaise was a superior kind of salad cream, to scenes from low life in which salad was not stressed but Hellmann's qualities in livening up any food from fish fingers to jacket potatoes were trumpeted.

The agency had a few doubts that the new approach might shake off the traditional AB buyers of mayonnaise but in the event everyone is happy. Sales rose 30 per cent last year, and 20 per cent this.

The market increased even more rapidly, but Hellmann's is sitting astride 60 per cent of a sector now valued at £8m a year and growing. More to the point the associations with salad creams has been shaken off and mayonnaise is being sold as a completely new product field. Already two support brands, lemon and garlic flavoured mayonnaise, have been launched.

£1¼m a year

Hellmann's is now very heavily supported, with around £1¼m a year concentrated on national television advertising. This has paid off, not only in the increased sales, spread significantly much more evenly around the country and among all social groups, but in maintaining Hellmann's against its main competitors, cheaper own-label brands.

The new advertising approach has not only sold Hellmann's to a wider public and strengthened its low penetration in the north of the country, it has also made it a year round product rather than a seasonal summer brand, and increased repeat purchasing. In the past, a jar was bought at salad time and then relegated, half-used, to the refrigerator. Now that it is sold as a stimulant to the most basic foodstuffs there is much higher turnover per consumer.

As soon as Boase Massimi had made the psychological jump that mayonnaise was nothing to do with salad dressings but a product in its own right all else followed on naturally. Now it is that ideal brand, one that is increasing its sales and also winning prizes.

The advertising picked up the top British Television Advertising Award this year, and the imaginative, humorous, commercials — typical of the agency—which show a comic strip motherless family managing very well with just Hellmann's to liven up humble scraps—seem to have a great deal of life left in them.

Antony Thorncroft

ADVERTISING—Market: Media: Services IV

Profiles on the ever-expanding range of media available to the advertising industry

TELEVISION

Prospects brighten, despite Channel 4

THE COMMERCIAL television companies are ending the year in much better spirits than they started it. There may be problems with Channel 4; the future holds the twin threats of cable and satellite; but in the two immediate day-to-day preoccupations—the amount of advertising revenue coming in, and the size of the audience attracted to ITV (and Channel 4)—things could hardly be better.

Total revenue, net of agency commission, this year should top £800m, a rise of more than 15 per cent on 1982. Of course Channel 4 has contributed some of the extra income, but its return of around £35m is a grave disappointment and well below expectation.

In the main the ITV companies have once again been very successful in selling their time, and although Channel 4 has not brought in much extra cash the very fact that there are two channels, and advertisers have been able to increase their audience by booking on both, has doubtless added to the good result.

What has really kept the medium ahead of the competition, however, is the rise in the audience, especially since the summer. In some regions 15 to 20 per cent more people are watching ITV, and, since Channel 4 is only attracting an average of 5 per cent, it is the more popular programming on ITV which accounts for the improvement.

The commercial channels are taking up to 57 per cent of the television audience, their highest figure for many years, although the increased usage of video recorders has hit total television viewing.

The immediate prospects look good, too, and the companies intend to use their current prosperity to safeguard the more doubtful future. They are attempting to reduce their financial commitment to Channel 4 to the lower end of the 14 to 18 per cent of their net revenues which had been fixed as their contribution by the Independent Broadcasting Authority. Channel 4 wants at least £140m in 1984.

The ITV companies are frustrated by the fact that all the extra money they are making this year is going on a channel which has never operated as it should because of the debilitating strike between Equity and the Institute of Practitioners in Advertising over the fees for actors in Channel 4 commercials. This even more than the audience figures has cast a blight over the first year of the new channel.

At least they have few problems with the loyalty of advertisers. Agencies continue to grumble at the cost of the medium but it dominates their activities. Airtime costs have consistently risen above the retail price index; the pre-empt system of selling time means that the contractors maximise their income while the agencies have to accept what the companies tell them on what spots have been bought; and the two London stations cream off up to 30 per cent of the revenue while reaching 19 per cent of homes, to the hopeless frustration of both agencies and regional contractors. But television sells, and being off-screen is even more costly for companies.

Among the new generation of television advertisers are the computer companies, publishers, and the financial area. The IBA has recently relaxed its restrictions on publicising company results, and Sainsburys was the first on the box with a £60,000 investment in a 60-second commercial, lauding the company's progress over the past 10 years. Other groups slow to embrace the medium are now committed users, especially the car manufacturers, who devote half of their lavish budgets to television.

Some of this heavy advertising is now going to the great news story of the year—TV am. This is the first direct competition to ITV and seems to have passed through its traumatic period — in its worst month its loss was £1.6m. There are now hopes of breaking even, on a monthly basis, this autumn.

Like Channel 4, TV am waits on an ending of the Equity dispute to improve its fortunes with the advertising agencies, but its arrival is a foretaste of what is to come — a vast increase in the number of television channels in the home.

Cable remains an enigma. One guess is that by 1992 between 25 and 40 per cent of homes will be cabled, but that it will not be financed by advertising so much as by sponsorship. So cable will hit the TV companies' audiences rather than its revenue, at least in the early years.

Perhaps more of a threat is satellite, which will completely revolutionise the Government's controls over what the householder watches: with the eye in the sky anything goes. But the IBA has safeguarded its future by getting Government approval of access to satellite and is now open to tenders from companies interested in providing a national service. It is quite possible that in 10 years' time this current TV advertising boom will be looked upon as the last party for a group of companies which provided a great deal of pleasure and reaped as reward a great deal of profit.

Antony Thorncroft

DIRECT MAIL

Aiming to find a welcome on the mat

IF THERE has been any suspicion on the part of the public about advertising procedures, direct mail must come near the top of the league. As the torrent of literature on a myriad of topics from book clubs to life assurance schemes plops onto the doormat uninvited, it has had to work harder than other media to be accepted by the consumer.

ESTIMATED DIRECT MAIL EXPENDITURE (£m)

Year	Q1	Q2	Q3	Q4	Total
1981	86	79	67	67	299
1982	98	86	92	65	341

Source: Post Office.

Yet it has thrived and as the Post Office (which gains some £100m in postage revenue annually) is keen to remind us, it remains the most successful form of advertising after traditional favourites like television and press. The figures show there has been a startling volume growth of some 94 per cent in the six years from 1975 to 1981, far outshining established media which scarcely reached double figures.

In the early days, inevitably, there were charlatan elements—opportunists who spotted a quick gain—who did little to help the cause of those serious mailers who treated the medium as a major marketing exercise. Those days, however, are now over. In the past year, the industry has been putting its house in order.

There has been a flowering of self-regulatory bodies, independently run, which aim to convince consumers of the medium's new found professionalism and to offer effective safeguards.

This is the first year, too, that that august body the Advertising Association has seen fit to publish expenditure figures in its annual forecast. The spend for 1982 was £341m.

In April, the Direct Mail Services Standards Board arrived with the purpose of raising industry standards. Although it has no legal power, it aims to convince advertisers and the public that it is a respectable medium meeting the same standards that the advertising industry accepts in other areas. It is doing this through a Scheme of Recognition which operates on an incentives and sanctions basis, thus highlighting agencies that pass muster.

To qualify for recognition a direct mail agency needs to satisfy the board that it complies with the Advertising Standards Authority codes, provides services only to clients who subscribe to those codes and that they contribute to the levy imposed by the Advertising Standards Board of Finance to fund the self-regulatory system. The recognised agencies are then able to use the board symbol on its literature.

The test does not end there. Recognised agencies are then required to make annual submissions of their trading accounts for the previous year and the board can withdraw recognised status if it finds that the agency does not come up to scratch.

Other industry initiatives include the Mail Preference Scheme which gives consumers who object to unsolicited mail to register their objection and thus be removed from subscribers' lists.

Until recently, direct mail has been heavily used by companies either themselves or through specialist advertising agencies rather than through their above-the-line consumer agencies. The day is coming, however, when consumer agencies are beginning to recognise the need for specialist skills in this production-oriented medium and for this purpose the Direct Mail Sales Bureau came into operation. Its business is to promote the medium and offer campaign guidelines to interested mailers.

Feona McEwan

RADIO

Still a cheap medium

RADIO CAN now be said to be an established national advertising medium. There are 43 stations broadcasting and over 80 per cent of the population can tune in to them. When the full 69 stations approved by the Government are on the air coverage will reach 94 per cent.

In the year up to July advertising on radio totalled £74,643,580, a rise of over 18 per cent on the previous 12 months. Some of this gain came from new stations opening up but, taking this into account, there was a real increase over inflation.

However the year has also seen the first station go into liquidation — Centre in Leicester, which went off the air last week after two years of heavy losses. Radio Aire in Leeds and West Sound, Bristol, also made losses of over £100,000 in 1982.

It is the rise in capitalisation costs — now up to £750,000 — which is making it tougher for the new stations. Even so, some, such as Radio Essex, managed to break even within their first year. Overall, in 1982, a third of the 34 stations then on air made a loss, but some of these, in particular the newly open, will be in the black this year. So commercial radio is no easy way to make a living.

Dominant station

It is noticeable that as the first contracts of 10 years ago come up for renewal there is little competition — Capital Radio, by far the most profitable station, had only one serious rival, and Clyde in Glasgow was returned unopposed.

Capital remains the dominant station, attracting around a quarter of all radio advertising expenditure, and making a pre-tax profit last year of about £1.6m, less than in some previous years.

It stands apart from the other stations by having its own sales force (the smaller stations rely on either Broadcast Marketing Services or Independent Radio Sales to sell their commercial time), by producing programmes for other stations, by investing heavily in promoting radio as an advertising medium, and inevitably, by charging much more for its air time.

It has captured just over 20 per cent of the London radio audience (it is surpassed by Radio 2), but has in the last few years experienced a fall in profit and a decline in audience from its weekly peak of 5m four years ago.

This fall in listening has affected all the ILR stations (and the BBC). As against a year ago, the radio audience is about 5 per cent less but this could be a statistical googly caused by the fact that last year the audience was measured during the Falkland crisis when it would have been particularly high.

The audience fall does not seem to have deterred advertisers. Radio has had a good summer with many of the blue chip advertisers they have courted for ages booking substantial campaigns, usually using radio as part of a mixed media advertising burst.

However, half of radio advertising is from small local companies, attracted by the idea of a campaign for £100 or so. Radio is still a cheap medium —a national breakfast spot reaching 4.5m people can be bought for £4,000, and £100,000 invested in radio would make a substantial impact.

A. T.

PRESS

Push on the local front

NEXT WEEK is Local Newspaper Week—the first-ever national joint effort by provincial newspaper publishers and newsagents to promote the product in which they have such a vital common interest.

The need for such a campaign carries a message which is as applicable to the national newspaper and magazine press as it is in the provincial field. Gone are the days when the press was the automatic, taken-for-granted source of information and entertainment for the public—and thus an equally taken-for-granted market place for advertisers.

In the face of formidable and expanding competition, campaigns to sell the generic concept of the written media as well as specific titles are becoming more common.

Robert Stiby, president of the Newspaper Society—the association of regional and local newspaper publishers — says that Local Newspaper Week is intended to heighten public awareness of the provincial press. "Our newspapers are unrivalled as the prime news source of the communities they serve; our columns provide arguably the most cost-effective advertising medium. These are facts which we intend to ensure are made known to the public."

It is a view which requires constant reinforcement in today's climate. Many provincial newspapers have suffered badly during the recession with a steep decline in recruitment and other advertising.

The loyalty of readers and advertisers is increasingly being challenged by other media like local radio and directories. All this is before the free newspaper is brought into the equation.

There are now at least 550 free newspapers in Britain, with an estimated weekly distribution of between 18.5m and 22.6m copies. About 246 of these free titles are published by members of the Newspaper Society, so the rise of the free newspaper is not always an automatic loss for the established paid-for newspaper groups.

It is difficult, however, to overstate the impact which free newspapers are having on the shape of the local newspaper advertising market. From a negligible position a decade ago, Advertising Association figures show that last year free titles attracted £136m in advertising spending, compared with £196m for paid-for weeklies. All the expectations are that the gap will continue to close.

One response to this is next week's campaign, in which the Newspaper Society will be joined by the National Federation of Retail Newsagents and the Confectioner-Tobacconist-Newsagent Multiples Group, to promote paid-for newspapers. Another response is an increasing awareness that free newspapers are here to stay—some theories suggest that almost all weeklies will eventually be distributed free.

Committee set up

In an effort to attract a greater share of the national advertising budget to its members' publications, the Newspaper Society has set up a committee to "study specific ways in which the qualities of the traditional paid-for press can be enhanced through a combined promotion with free newspapers."

Anthony Robinson, chairman of the committee, says of free newspapers: "Their true potential is in the way they can intensify advertising opportunities in some markets, in-fill with and complement the paid-for press in others and finally provide new opportunities for advertising spenders with a lower budget. In other words, they complete an intricate regional and local press jigsaw."

Another Newspaper Society activity which is being keenly studied by advertisers and agencies is its Newspaper Readership Project. This is intended to discover what readers actually want from their local and regional newspapers and then, hopefully, arrest declining circulations by providing it.

In one way the results of the first research are comfortingly simple—what the readers want is more local news. But the character of the readers is l... comforting—the majority of l... regular ones are elderly a... male, and it is suggested t... many editors have tended ... regard the youth market ... impossible to penetrate.

Attacks on advertis... revenue from alternative me... and declining circulations h... provoked joint marketing a... vities in the magazine fie... with the formation of t... Magazine Marketplace Grou... It brings together ten leadi... magazine publishers in an ex... cise to persuade advertise... that Britain's several thousa... magazine titles compete w... with television, Sunday new... paper colour supplements a... the looming attraction of cab...

Magazine Marketplace Grou... is initially concentrating ... efforts to improve contacts wi... leading retailing groups, in ... attempt to persuade them of t... potential of magazine advert... ing.

The group says there ... evidence that retailers are b... coming increasingly aware ... the benefits of magazines, wi... the advertising investment ... the medium rising from £13.8... in 1980 to £20.9m last ye... (MEAL figures).

In Fleet Street, circulatio... battles between the popul... tabloids continue, with t... Express newspapers offering ... £1m top prize in the latest Mi... llionaires' Club promotio... Recent financial results of som... of the national newspap... groups have shown signs ... improvement, with cover pric... increases and a circulation ri... at the Sun making a particula... contribution for News Intern... tional.

Advertising, on which th... up-market dailies and Sunday... are particularly reliant, ha... picked up in recent month... The increased volume is ver... welcome to the industry—an... so is the hope that Fleet Stree... might have seen the worst o... the heavy rate discountin... which has become a majo... feature in the national new... paper market.

Alan Pik...

NEW DEVELOPMENTS

Cable brings divergent views

SOME TIME next month the Home Office and the Department of Trade and Industry will get together to announce the successful applicants for up to 12 pilot franchises for new multi-channel cable systems. At least in theory the "third age of broadcasting" will have begun.

Although the whole concept of multi-choice for the consumer is about to take physical shape, however, there is little agreement on what the consequences will be for the duopoly—the BBC and the ITV system, public service broadcasting, the advertiser and the consumer.

Two completely contradictory views have emerged. One is that cable will have a relatively rapid spread and that a significant section of the audience will respond to what they have never had before—the choice of endless soap operas and quizzes.

This view was expressed to a largely critical audience at the recent Royal Television Society convention in Cambridge by Mr Brian Tesler, managing director of London Weekend Television, who believed that the breaking of ITV's monopoly of television advertising would force advertising rates down to a disproportionate degree.

According to a detailed LWT study a 13 per cent loss of audience by 1992 would lead to a 23 per cent loss of revenue.

Such a doom scenario for the conventional broadcasters with a strengthening of the band of the advertising industry had, however, been rebutted in advance at the same Cambridge convention by Mr Harold Lind, former head of research at Audit of Great Britain.

Effect on audience

Mr Lind believes that up to 1988 in terms of loss of audience to the new media and indirect effects on revenue "satellite has virtually no effect, cable not very much, even on very favourable projections, and video cassette recorders (VCRs) a significant but not enormous impact."

As with broadcasters and researchers the advertising industry is split in its predictions on cable's ability to expand and win subscribers.

The Institute of Practitioners in Advertising in its submission to the Hunt Committee speculated that 7m homes—35 per cent—might be cabled by 1990.

Young and Rubicam in a study earlier this year took the more pessimistic view that it would be 1995 before cable's household penetration reached 30 per cent the level, at least according to American experience, when national advertisers began to sit up and take notice.

Even at that level of penetration there were still serious question marks over the usefulness of the medium, according to Mr Mike Townsin, Young and Rubicam's deputy chairman, the author of the study.

The largest and most enthusiastic audiences for cable, according to all the market research, would be attracted by first run film channels. These are most likely to be paid for by subscription rather than advertising.

Individual cable operators would need, he argued, to set up a single centralised sales and marketing organisation as soon as possible to exploit fully the medium's advertising revue potential. Detailed audience research data would also be essential right from the start. Despite some reservations, Mike Townsin welcomes the expansion of electronic media involved.

Advertisers as diverse as British Airways, The Economist, Kelloggs, Planters Peanuts and Ford have jumped aboard the general entertainment package delivered to cable networks in Norway, Finland and Switzerland—and to a 1,000-bed hotel in Paris.

Satellite TV is offering its service to existing cable operators from January for a fee of 10p per subscriber a month. The uncertainty over cable as an advertising medium is even more marked in the case of satellite television.

The offer of two satellite channels to independent television, should they be wanted, however, is an extension of the possible market for advertising. Some major agencies are also happy that the Home Secretary rejected the Independent Broadcasting Authority's view that the channels should go—at least initially—to a consortium of the existing terrestrial franchise holders.

Earlier in the summer Mr Roy Langridge of J. Walter Thompson argued that any extension of the present monopoly in commercial broadcasting must be contrary "to our clients and to our own interests." The existing ITV companies will have no more right to apply for satellite channels than anyone else although the franchises will still be offered and monitored by the IBA. The service will probably be financed by advertising, although the IBA is still keeping its options open.

Even more than with cable, the significance of satellite television as a new advertising medium is more likely to be realised in the 1990s than the late 1980s.

Ray Snoddy

POSTERS

Spotlight on marketing

BRITAIN'S oldest advertising medium, posters, is still struggling to settle down following the dismemberment of the British Posters Consortium last year and the fierce challenge from newer media for a share of the advertising market.

Poster (including transport) advertising last year totalled £124m, a rise of £9m on the 1981 figure. As a percentage figure, the growth was roughly the same as in the previous year. Not bad during a recession, but not good either since figures produced by the Advertising Association show that posters' share of the total advertising spend fell in 1982 to 4 per cent. In 1981 it had been 4.1 per cent and in 1979 it was 4.4 per cent.

John Watts, an executive director with Mills and Allen, says that demand for poster sites has generally been ahead of last year for the industry with a "number of good months." However, Watts, like others in the industry, is slightly disappointed that the growth in demand at present has not been as good as earlier forecasts had predicted.

The reasons for this state of the market are both short and long term. It may be that there is not as much advertising money around at present as had been predicted in the wake of the general election.

Optimistic noises

It could also be that the optimistic noises coming from the industry earlier this year may have turned away some potential advertisers who thought the right sites would not be available.

Yet most advertising pundits would say that the underlying problems with posters as an advertising medium are the way they are marketed and the question-marks over their effectiveness as a medium in reaching the right kind of consumers for the advertisers' message.

The poster industry is e fairly complex one, mainly because of the way it has developed over the past couple of decades. Poster contractors, for example, have traditionally been small, family-run businesses with control over sites in a single town or county rather than nationally.

In the 1960s there were 700 or so such contractors, but rationalisation since then has reduced the number to under 70 companies responsible for the 180,000 poster sites scattered throughout the UK.

The problem with advertising agencies choosing posters as a medium, therefore, was simply that there was scant chance of getting together the right sort of site coverage to meet the advertising needs. Hence the British Posters consortium was formed in the early 1970s to meet the demand for a more balanced selection of sites than the poster contractors could provide themselves.

British Posters, however, ected only as a marketing operation for sites owned by consortium members. The consortium of 10 contractors had about a third of the market, as measured by the number of available poster panels, but a couple of its members also had significant stakes in the rest of the market. This meant that members of the consortium controlled about three quarters of the available poster panels in the UK.

This attracted the attention of the Monopolies and Mergers Commission which eventually ruled that it was in the public interest for the consortium to be disbanded as from the spring of 1982.

Tha ensuing confusion in the market, however, could not have helped agencies or their advertisers gain confidence in using posters as a medium in preference to other media. The problem of replacing British Posters was made worse by the Office of Fair Trading seeking to ensure that no similar grouping of contractors emerged.

What eventually did emerge was a loose grouping of some contractors in a way which so far has not offended the OFT's watchdogs. Last autumn the Poster Sales Consortium was formed, involving British Transport Advertising, London and Provincial Posters, and the Arthur Maiden group—along with three smaller companies.

Apart from PSC, the other major contractors include More O'Ferrall which markets Adshel's plant, although Adshel is equally owned by London and Provincial, and Mills and Allen. Mills and Allen sells packages of sites planned by its specialist agency, Poster Publicity, and makes use of other contractors' sites as required. Independent Poster Sales looks after 31 other contractors, the largest of which is National Solus Sales.

The structure of the industry, therefore, still remains rather complex for an outsider and does not make it easy for advertiser or agency to choose posters—a direct result, so the industry says, of the Monopolies Commission intervention. "It is one of life's little ironies that the Government should have singled out British Posters for attack and yet allowed the television monopoly to be extended to Channel Four," says one advertising director.

The problem of posters that vexes most edvertising agencies, however, is the question of how effective it is to use poster sites as part of an overall campaign.

The industry has responded in a variety of ways. PSC, for example, is selling campaigns on the basis of guaranteeing to the advertiser that his message will be near to a particular chain of stores. Mills and Allen has also launched e system, called the Poster Targeting System, which utilises computer research to enable a media planner to define a specific audience in a number of different ways. Previously, much information in the industry had been about sites, not about what sort of people see those sites. Mills and Allen's system is designed to provide the information to change this.

Another response of the contractors has been a new poster site classification and grading scheme, estimated to cost ebont £750,000.

David Churchill

CINEMA

Cost-effective package deals being tried

CINEMA ADVERTISING is sometimes one of the forgotten areas of advertising, eclipsed hy such newer stars es breakfast television, Channel Four, direct mail, and even sky-writing. Yet it remains a steady part of the media world and is still a useful addition to many media schedules.

Spending on cinema advertising, however, has remained static for the past three years at £18m, and was only £17m in 1979. This represents exactly 0.6 per cent of the total amount spent on advertising in 1982.

The problem with cinema advertising has simply been that it reflects the decline of the British cinema in general. The weekly average attendance at cinemas in Britain has now fallen to around 1m people; in 1951 cinemas could expect 27m a week.

The decline that began with the onset of television has been exacerbated in recent years by poor facilities and rising prices for films which, in general, had little drawing power. The trend towards smaller, multi-screened cinemas made more economic sense with smaller audiences, but led many people to prefer the intimacy of their own homes. The arrival of the video cassette recorder has accelerated the trend towards in-home entertainment.

Yet cinemas remain almost a unique way for advertisers to reach many of the 15-to-24 age group who form the bulk of cinema audiences but who watch less television and read little.

It is for this group, more than any other, that the tradition of advertisements in cinemas goes on. (Although it also remains an important aource of income for the operators of the 14,000 or so cinema screens in the UK).

It is broken down into two main categories: the local advertising advising cinema patrons of the nearest Indian take-away and the national commercials for well-known products which often do full justice to the advertising agency's creative department by being shown on a full-sized screen rather than a 22-inch tube.

The two major cinema advertising organisations are Rank and Pearl and Dean. Pearl and Dean handles the Star, Classic and ABC cinemas, while Rank has the Odeons, Geumonts and Granadas.

The most frequent type of cinema commercial circulated by these two chains are those for drinks, household durables and clothes. Tobacco, which used to be a big cinema spender, has been hampered by the restrictions on advertising only to audiences over 18.

Another problem faced by cinemas for both local and national advertising has been the effects of the recession, which has mede advertisers even more aware of where their money is being spent. Cinemas do not look a very cost-effective medium to many media buyers.

To help overcome this the companies offer special packages guaranteeing that e certain number of cinema patrons will see an advertisement. Thus, an advertisement is shown fewer times if put on against such blockbusters as *Return of the Jedi* but gets more exposure if put on with less popular films.

The best outlook for cinema advertising is that such an approach will help persuade edvertisers of the merit of reaching those small segments of the buying public that other advertisements cannot reach.

D. C.

Advertisers need to be more cost-effective to get the best value from rising TV and Press prices

Where rates stay ahead of inflation

IT IS RARE for the senior management of any major marketing company to discuss its affairs in public without complaining about the crippling effects of sharply-rising Press and television advertising rates —more especially the latter.

In so far as the examples quoted are usually expressed in current prices, without reference to the general level of inflation, they are not in reality quite as awful as they look. But it is certainly true that the advertising rates as a whole, having fallen in real terms throughout the 1960s and halfway through the 1970s, have since 1975 risen even at constant prices by some 37 per cent, representing an average increase each year of 4½ per cent ahead of inflation.

Furthermore, they have dona so remarkably consistently (the Advertising Association's indices of media rates slightly overstate, for technical reasons, the increases of 1981 and 1982). The phenomenon having thus been with us for the best part of 10 years, there is nothing new about it.

Despite this, the level of expenditure on display advertising in the Press (classified advertising has its own laws, and is not relevant in this context) and on television, taken together, has over the same period increased even faster, by nearly 6 per cent a year in real terms.

Clearly, therefore, and despite their complaints, manufacturers must believe that, even at what they assert are insupportable rates, advertising is cost-effective — that is to say, that it is more profitable to use it than not to use it — or they would not be spending well over £2.5bn a year in this sector alone.

Equally clearly, since they would prefer to pay less for it, as they would for any other industrial input, it is hardly surprising that they should ask why its rates are so high — or, rather, why of recent years they have increased so much more rapidly than the general level of prices.

In the attempt to answer this question, however, it has to be recognised that the determinants of rates are rather different for television and for the Press. The essential characteristic of television is that by and large its supply of edvertising opportunities is fixed in the reasonably short term. Unlike the publisher, who if he sells less advertising can print fewer pages, the television contractor can make no savings from unsold time, nor increase his supply to meet increased demand.

The consequence of this has been the development of what is in effect an auction system.

In such circumstances, prices are fixed by the buyers, not by the sellers, whose operating costs and profit expectations are beside the point — as was demonstrated in 1974 and 1975 when, the botttom having fallen out of the advertising market because of the oil crisis, television rates fell by 20 per cent while Press rates barely moved.

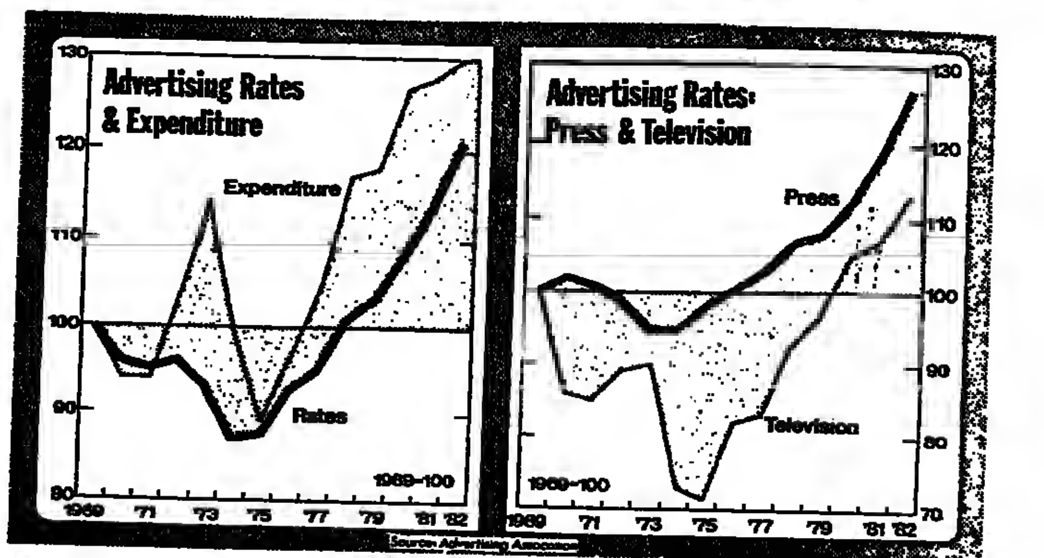
The continuous rise in television rates since 1975 (at about 6.5 per cent a year in real terms) has been the result of edvertisers and their agencies bidding ever more frenetically against each other for a volume of commercial audience which of recent years has not expanded.

On the other hand, the nature of television commercial time has changed over the period, by virtue of the increased penetration of colour sets. If it could he assumed that colour adds to the "value" of the television commercial the premium that advertisers pay for it in the Press, the rate of increase in television costs between 1977 and 1982 could be viewed as rather less—4.5 per cent a year in real terms, rather than 6.5. But even at that it is pretty substantial, and only the advertisers themselves can do anything about it.

What is far less obvious, however, is why Press advertising rates should also have risen so far ahead of inflation. There is no constraint on supply in this sector: two new national newspapers have arrived during the past five years, new magazines can be launched without excessive difficulty (colour supplements heving pullulated rather in excess of any apparent need for them), and almost anybody can start a local freesheet. Yet whatever effect this competitive environment has had in general it has not served to hold down press advertising rates: though the increase since 1975 has been less than thet of television, it bas still been at 3½ per cent a year in real terms.

Greater proliferation in the Press has not led to lower rates, and is unlikely to do so in the future: equally, whatever fragmentation occurs within the electronic media it will result in increased, not decreased, rates.

Advertisers who are really concerned about this need to take more advantage than they bave so far done of the techniques now available for using advertising space and time less extravagantly and thus reducing the upward pressure of demand on nrices. Indignation is not enough.



Harry Henry

Professor Henry is chairman of the Marketing Communications Research Centre.

Hilary McLaine in Tokyo looks at the formidable barriers for Western agencies entering this highly-competitive market

Japan's powerful agency role

IN THE past decade most of the familiar names in Western advertising have established a presence in Japan by forming joint ventures with top Japanese agencies. The deals have been heralded with optimism and commercial confidence on both sides, which would indicate that the continued Westernisation of Japanese advertising is a beneficial exercise in which Western agencies can establish a meaningful foothold in the world's second largest market and Japanese agencies can expand into international markets through their partners' vastly more sophisticated worldwide networks.

Some of the negotiations have taken over two years to complete amid persistent rumour over control and who gets 51 per cent. Observers tend to agree it is true that the Western agency needs its Japanese partner more than the converse.

The reasons for this are not necessarily hidden but deeply rooted in some paradoxes and dichotomies which are today's Japan. The traditions of company loyalty and service, which characterise the strengths of Japanese commerce, coupled with advertising's historically close relationship with media ownership, provide a formidable barrier to the Western agency wanting a piece of the fiercely competitive Japanese market.

One need look no further than the fact that it is quite acceptable for one agency to handle directly competitive products through its divisional structure to note that the system is a bewildering sophistication of professional arrangements in which agency and client have a special relationship.

Within one client company that same special relationship will be held with several other agencies all handling different brands—or, even more extraordinarily, different media for the same brand.

Start adding, however, the numerous interfaces to advertising's fabric — like the increasing strength of the freelance creative talent — and the picture becomes clearer. It is the media power and general financial muscle of the giants of the game which ultimately secure their dominance of the market.

This brings us to Dentsu, the largest agency in the world, handling 25 per cent of Japan's £7bn-worth of advertising. Critics claim the agency plays too powerful a role in both Japan's politics and its culture. However, its media power at least is publicly known. It not only owns stock in several newspapers and television stations but can support floundering papers with injections of advertising revenue. This fulfils one of its acknowledged functions: to guarantee the media's income.

In the domestic market, it is, and is seen to be, all powerful. The methods used to sustain its dominance are not the issue here but, in the context of joint ventures for international gain, Dentsu has linked with the Western world's largest agency, Young and Rubicam, to further its aims of selling abroad, as so many of its clients have done so successfully.

However, the cultural differences in addition to the previously stated paradoxes of operation, have denied the two-year-old Dentsu/Y and R any significant success and, indeed, cynics have mooted the view what Dentsu has done is to buy itself a correspondence course in how to become an international agency.

Frustrations

Such conviction is born of the frustrations experienced by all Western advertising men faced with penetrating the Japanese market. Western clients may appoint a joint venture agency in which the Western partner is its domestic agency subsidiary — an understandable route since the Western client is beset by as many problems as his agency counterpart in trying to understand and deal with the same "closed shop" loyalties and networks which constitute the service and distribution industries.

Opting for the familiar, however, can deny access to the real gut feel of mainstream Japanese advertising which tha domestic agencies dispense. Indeed, several U.S. manufacturing companies have recently switched their business to domestic agencies for a full service they reluctantly sense cannot be supplied by the joint ventures.

There is little hard evidence to support the advantages for the Japanese agencies in securing more business outside their own market but, as the marriage contracts are still quite new, it is early days for assessment.

What can be discerned in the Japanese market is the decline in emulating U.S. standards of creativity. After World War II, Japanese advertising shamelessly copied the West and everything American and new was more than vogue — it was standard. Now these new-wave freelance creatives are examining their own cultural heritage and producing their own creative treatments.

These reflect Japanese heritage and the culturally resolute pride in inference, mood and suggestion, rather than the bald and obvious, which characterise, to them, Western sales messages. This is why so much of the really good Japanese advertising is baffling to Western eyes.

For instance, why is a puppy running through the rain-soaked streets of Kyoto, with a brief product shot at the end of the 28 seconds, a strong and positive sales message for Suntory whisky? In this context, tha strength of Dentsu can be likened to the power of a brand leader, who needs only to assure its public that its size and success is itself a comforting security.

While mentioning creative treatments, it is worth noting the extensive use of foreigners in advertising. In the same way that a Japanese has no compunction to rationalise emotions the way we do, if Western models are used to convey advertising messages, he has no need to symbolise them or to identify them as part of his society.

In a land where status and hierarchy retain their cultural importance, he can fantasise freely when the image to which he must respond liberates him from placing a compatriot in his own social and cultural pecking order. Also, using personalities, whether it is Paul Newman (promoting a Nissan car) or Sammy Davis Jr (endorsing whisky), the Westerner will cut across the provincial status syndrome and, because of the additional gentle, soft-sell execution, the finished product will have considerable sales power here.

Japanese ad men are expressing increasing interest in British advertising for this very reason. They consider the UK's use of humour and understatement more relevant to the Japanese market, whereas they now see U.S.-style "hard sell" to be crude and overstated.

Another characteristic of advertising worth noting, in a country where might is right, is the way in which brand leader advertising has been developed. Again, using the example of Suntory (voted as Japan's best advertiser 13 times in succession), 60 seconds of prime time TV can be devoted to an exquisitely shot travelogue of the Silk Road, with a similarly brief product shot at the end.

Secure feelings

Might is right—and this is communicated to the consumer, who recognises the demonstration of power. The advertiser is saying it can afford to show you expensive travelogues, it is a company to have confidence in. It imparts secure feelings for the brand.

What, for tha Westerner, would be the province of public service advertising—road safety and anti-litter, campaigns—is also undertaken by the giants. New directions for them and their agencies are sponsorship and the promotion of international events—anything from the Pope's visit to tennis tournaments.

Such a direction emphasises further the close involvement of the agency with its client's business and, of course, none of them is slow to see the benefits of the much-publicised new media and technological advances. Computer service advisory capacity is a natural development of the already established pattern of servicing the client.

When the bottom line of communication in Japan is essentially almost telepathic, it remains to be seen how successfully the Western agencies and clients can not only adapt to the subtle complexities of this country's own answer to the electronic age but even continue to hold their own.

TOP TEN AGENCIES

Rank Agency	Billings 1981 Yen m	% change on '80	% share of total billing
1 Dentsu	612,761	+ 9.3	24.6
2 Hakuhodo	232,557	+12.1	9.1
3 Daiko	102,358	+ 3.6	4.3
4 Tokyu Agency	75,000	+22.1	2.7
5 Daiichi Kikaku	48,491	− 1	2.2
6 Yomiuru Kokokusha	48,429	+11.3	1.9
7 Asahi Kokusha	41,784	+ 5.4	1.7
8 McCann-Erickson Hakuhodo	41,636	+ 5.9	1.7
9 Asahi Tsushinsah	39,540	+ 7.9	1.6
10 Daiichi Kokokusha	34,640	+ 8.1	1.4

Source: Campaign

CAMPAIGN 3: SAINSBURYS

It pays to be consistent

THE RISE to market dominance of the leading grocery multiples has been one of the phenomena of the age. In line with their hold over the housewife's purse has come an appreciation of the importance of advertising. Tesco and Asda both now spend around £10m a year on above-the-line advertising but Sainsbury, the market leader with over 15 per cent of all packaged grocery sales, has confirmed its status with an advertising budget of nearer £5m. This suggests its advertising is particularly effective.

The budget is split (in the main) between two agencies —Saatchi & Saatchi, which handles the major part and looks after the TV campaign stressing Sainsbury value, and Abbott Mead Vickers which at the end of 1980 was given the task of maintaining the company's image: as the TV advertising followed the Tesco line of value for money, research suggested some loss of Sainsbury's edge on quality.

Own label range

So successful has the AMV advertising been that the budget has risen from £146,000 in 1981 to around £1.6m this year. It is concentrated in the women's press and the colour supplements and consists generally of double page spreads, one of colour, the other of copy, making the case for a particular item in the Sainsbury "own label" range.

The agency produces beautifully photographed advertisements, enlivened with informative copy. They fall into three categories. Advertisements which tell a new or unfamiliar story and promote products like mangoes, or Kiwi fruit, or avocados. Such advertisements usually pay for themselves in increased sales within a month.

The second variety sells Sainsbury lines which its customers might traditionally purchase elsewhere—such as meat, wine, and fruit and vegetables.

The third group is useful advertisements—with recipes, or with information which helps the shopper to make a decision. The idea is that most shoppers, at least those in the south of the country, have visited a Sainsbury at some time and are familiar with the shops so that the advertising should provide a new and different dimension.

A particular quality of the advertising is its consistency. The advertisements appear regularly—about 10 in a year; use the same photographer and type face; follow an identical creative and media formula.

They were among the first grocery retailing advertisements to appear in the women's media which, because of its long advertising lead times, had been regarded as unsuitable for traditional grocery advertisements which concentrated on price. They have been effective in that the latest research suggests that Sainsbury's already high quality image is on the rise again.

They have also won many prizes, not least the Campaign award for the best colour press advertising of the year. According to Adrian Vickers, who looks after the account: "We have only scratched the surface of ideas. Sainsbury's has thousands of products we can produce interesting stories about."

Some of the stories come from unusual sources. One advertisement for Sainsbury's lamb tells how Mrs Abbott enlivens her joint with a mustard coating, recipe attached. That Mrs Abbott is married to agency chief David Abbott.

The higher sales that follow from the advertisements —up sometimes by a factor of five or even 10 (but then from a very low base)—are a bonus rather than an aim: the advertising is to balance the competitive TV campaign and to maintain Sainsbury's traditional quality image. Undoubtedly the company benefits from having two such competitive agencies working on the account and they co-operate in harmony.

Although it has by far the smaller slice of the budget, AMV has picked up extra assignments from Sainsbury. It has just handled the press launch of the retailers' own brand of pet food, Supreme, and it was responsible for promoting "J" cosmetics, which, on a store-by-store basis, has become the best selling toiletries range in the country. But the main advantage for AMV is producing award winning advertisements for one of the most respected brand names in the UK.

Antony Thorncroft

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M.E.A.L. Top 10 Agencies for **1982.**	
1.	**J. Walter Thompson.**
2.	Saatchi & Saatchi Garland-Compton.
3.	D'Arcy-MacManus Masius.
4.	Ogilvy & Mather.
5.	Allen, Brady & Marsh.
6.	Young & Rubicam.
7.	McCann-Erickson.
8.	Leo Burnett.
9.	Dorlands.
10.	Davidson, Pearce.

M.E.A.L. Top 10 Agencies for **1981.**	
1.	**J. Walter Thompson.**
2.	Saatchi & Saatchi Garland-Compton.
3.	D'Arcy-MacManus Masius.
4.	McCann-Erickson.
5.	Ogilvy & Mather.
6.	Young & Rubicam.
7.	Allen, Brady & Marsh.
8.	Collett Dickenson Pearce.
9.	Dorlands.
10.	Ted Bates.

M.E.A.L. Top 10 Agencies for **1980.**	
1.	**J. Walter Thompson.**
2.	Saatchi & Saatchi Garland-Compton.
3.	D'Arcy-MacManus Masius.
4.	McCann-Erickson.
5.	Ogilvy & Mather.
6.	Collett Dickenson Pearce.
7.	Young & Rubicam.
8.	Ted Bates.
9.	Allen, Brady & Marsh.
10.	Dorlands.

M.E.A.L. Top 10 Agencies for **1979.**	
1.	D'Arcy-MacManus Masius.
2.	McCann-Erickson.
3.	Saatchi & Saatchi Garland-Compton.
4.	**J. Walter Thompson.**
5.	Collett Dickenson Pearce.
6.	Ogilvy & Mather.
7.	Young & Rubicam.
8.	Ted Bates.
9.	Allen, Brady & Marsh.
10.	Wasey Campbell-Ewald.

M.E.A.L. Top 10 Agencies for **1978.**	
1.	**J. Walter Thompson.**
2.	D'Arcy-MacManus Masius.
3.	Saatchi & Saatchi Garland-Compton.
4.	McCann-Erickson.
5.	Ogilvy Benson & Mather.
6.	Collett Dickenson Pearce.
7.	Ted Bates.
8.	Young & Rubicam.
9.	Leo Burnett.
10.	Wasey Campbell-Ewald.

M.E.A.L. Top 10 Agencies for **1977.**	
1.	D'Arcy-MacManus Masius.
2.	**J. Walter Thompson.**
3.	McCann-Erickson.
4.	Saatchi & Saatchi Garland-Compton.
5.	Ogilvy Benson & Mather.
6.	Collett Dickenson Pearce.
7.	Ted Bates.
8.	Young & Rubicam.
9.	Leo Burnett.
10.	Davidson Pearce Berry & Spottiswoode.

M.E.A.L. Top 10 Agencies for **1976.**	
1.	**J. Walter Thompson.**
2.	Masius Wynne Williams.
3.	McCann-Erickson. (inc. Harrison McCann).
4.	Saatchi & Saatchi Garland-Compton.
5.	Ogilvy Benson & Mather.
6.	Collett Dickenson Pearce.
7.	Ted Bates.
8.	Young & Rubicam.
9.	Leo Burnett.
10.	Davidson Pearce Berry & Spottiswoode.

M.E.A.L. Top 10 Agencies for **1975.**	
1.	**J. Walter Thompson.**
2.	Masius Wynne Williams.
3.	McCann-Erickson.
4.	Ogilvy Benson & Mather.
5.	Saatchi & Saatchi Garland-Compton.
6.	Young & Rubicam.
7.	Ted Bates.
8.	Collett Dickenson Pearce.
9.	Leo Burnett. (inc. Plus Advertising).
10.	Foote Cone & Belding.

M.E.A.L. Top 10 Agencies for **1974.**	
1.	**J. Walter Thompson.**
2.	Masius Wynne Williams.
3.	Ogilvy Benson & Mather.
4.	Young & Rubicam.
5.	McCann-Erickson.
6.	Leo Burnett.
7.	Collett Dickenson Pearce.
8.	Hobson Bates.
9.	Wasey Campbell-Ewald.
10.	Davidson Pearce Berry & Spottiswoode.

M.E.A.L. Top 10 Agencies for **1973.**	
1.	**J. Walter Thompson.**
2.	Masius Wynne Williams.
3.	Ogilvy Benson & Mather.
4.	Young & Rubicam.
5.	Leo Burnett.
6.	McCann-Erickson.
7.	Collett Dickenson Pearce.
8.	Hobson Bates.
9.	Wasey Campbell-Ewald.
10.	Lintas.

We always said this business was unpredictable.

Frank Lipsius looks at the effects of the recession on the American sector

Shrill voices in U.S. on cost of TV time

AN IMPROVING American economy in 1982 helped boost national advertising spending by more than 15 per cent, to $17bn according to the annual Advertising Age survey. The recession, however, seems to have left the country's major advertisers with a determinotion to make cbanges in the way they advertise, if not in the amount they are willing to spend.

Endemic complaints about the cost of television time get shriller as the price goes up, whicb it did this year to $400,000 for 30 seconds on football's Snper Bowl and the last episode of MASH. Average prime time commercials were also up 17 per cent to $91,000 for 30 seconds, compared, noted one advertising executive, to an inflation rate that has slowed to 4 per cent.

This time, the complaints are being followed by action, led by Procter & Gamble, the country's largest television odvertiser, wbich increased its spending in 1982 by 11 per cent to $577m. After a meeting a year ago between P and G and the networks in whicb the advertiser complained about the escaloting cost of television commercial time, P and G did cut its television network spending in the last quarter of 1982 and the first quarter of 1983.

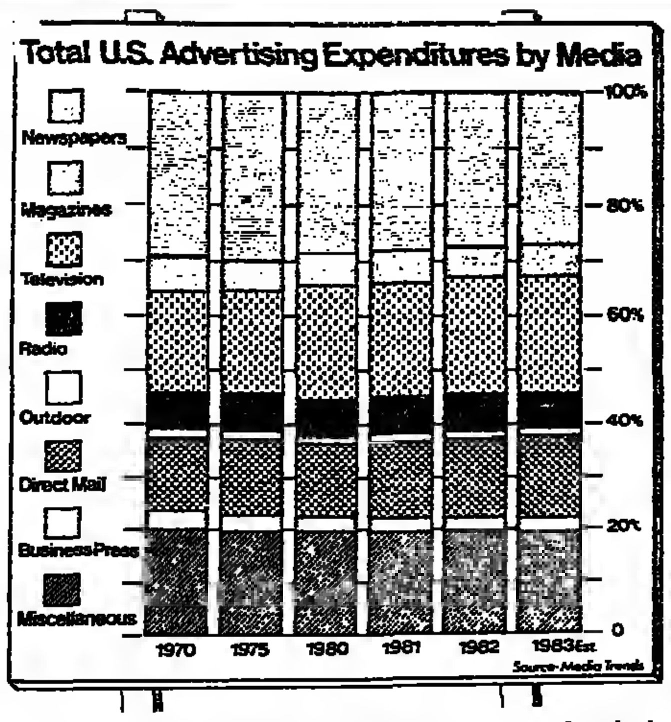
The decrease was only $10m, but it was the first such reduction in more than two decades, and spending on the networks represented only 56 per cent of the company's $335m budget for the period compared to 68 per cent of a smaller $291m budget the previous year.

Replacing the networks are local and cable-television spots. P ond G is even experimenting with the production of programmes for cable television, a throwback to the early days of the networks, which retained network radio's practice of having time segments dedicated to advertiser-produced shows.

Television last saw sucb programming in the 1960s and its return now is meant for more specialised audiences than in the days when Ronald Reagan was the bost of General Electric Hour.

P and G is producing some shows for the networks, like Marco Polo, a 10-bour miniseries for NBC costing $30m but running series are confined to sbows like At Home with Beverly Nye on the cable Christian Broadcasting Network, in which cooking and nutrition advice is mixed with a display of P and G products in the demonstrations as well as the commercials. At abont $30,000 a half bour, this kind of programming is considered a reasonable financial risk in spite of the continuing problem of adequate cable oudience ratings for advertisers to judge the market.

Besides complaining about network costs, advertisers bave emerged from the recessian with o continued propensity for changing agencies while agency consolidation persists in threatening the industry with a division into the giants representing the largest accounts and the boutique shops handling the rest.



In the latest development, Young and Rubicam, again the top billing odvertising agency in Advertising Age's annual survey, gave up $62m in P and G billings to take on $120m or a third of Colgate-Palmolive's world-wide account.

Colgate's gain means losses of $20m in billings to D'Arcy-MacManus and Maslus Worldwide, $20m to Ted Bates Worldwide and $16m to Kenyon and Eckhardt.

Kenyon and Eckhardt, with billings of $65m, is one of the agencies recently sold, but rather than go to another advertising ogency it was bougbt by Lorimar, the Hollywood producer of Dallas and Knot's Landing and other television and film properties.

In the biggest deal to date, Saatchi and Saatchi bought Compton Advertising for $57m and followed it up this summer with the purcbase for $15m of McCaffrey and McCall, with billings of $22m. Eight large deals transacted in the past two years indicate the residual effect of recession on the advertising industry, whicb saw overall billings grow but also unprecedented cutbacks by some advertisers.

Among the largest new categories of advertisers, including video games ond consumer computers, o brisk period of growth, glamour and heavy advertising was quickly squelched by adverse quarterly results and a precipitous shakeout.

A healthy 1984 is expected because of a Presidential election and summer Olympics, but fundamental changes in agencies and media are expected only to be masked by a year's grace.

TOP TEN U.S. AGENCIES

IN WORLD INCOME

Rank	Agency	1982 $m	1981 $m
1	Young & Rubicam	376.6	349.9
2	Ted Bates Worldwide	356.1	236.7
3	J. Walter Thompson C.o	347.1	331.7
4	Ogilvy & Matber	315.0	286.5
5	McCann-Erickson	276.1	277.3
6	BBDO International	238.3	205.2
7	Leo Burnett Co.	221.2	198.6
8	Saatchl & Saatcbl Compton	186.5	149.3
9	Foote Cone & Belding	178.1	170.3
10	Doyle Dane Bernbach	175.9	166.2

IN U.S. INCOME

Rank	Agency	1982 $m	19[illegible]
1	Young & Rubicam	248.7	22[illegible]
2	Ted Bates Worldwide	233.4	12[illegible]
3	Ogilvy & Mather	176.9	15[illegible]
4	J. Water Thompson Co.	167.2	19[illegible]
5	BBDO International	155.0	12[illegible]
6	Leo Burnett Co.	136.0	12[illegible]
7	Doyle Dane Bernbach	129.0	11[illegible]
8	Foote, Cone & Belding	138.8	11[illegible]
9	Grey Advertising	100.0	9[illegible]
10	Dancer Fitzgerald Sample	86.4	7[illegible]

IN NON-U.S. INCOME

Rank	Agency	1982 $m	1981 $m
1	McCann-Erickson	193.6	201.5
2	J. Walter Thompson Co.	179.9	178.0
3	Ogilvy & Mather	138.2	129.0
4	Young & Rublcam	129.9	127.4
5	SSC & B: Linatas Worldwide	129.4	134.7
6	Ted Bates Worldwide	122.7	107.7
7	Saatchl & Saatcbl Compton	117.9	89.5
8	D'Arcy-MacManus & Masius	88.2	90.1
9	Leo Burnett Co.	85.1	74.6
10	BBDO International	83.3	77.3

IN WORLD BILLINGS

Rank	Agency	1982 $m	198[illegible]
1	Young & Rubicam	2,511.7	2,33[illegible]
2	Ted Bates Worldwide	2,374.0	1,57[illegible]
3	J. Walter Thompson Co.	2,315.2	2,21[illegible]
4	Ogilvy & Mather	2,151.0	1,93[illegible]
5	McCann-Erickson	1,841.4	1,84[illegible]
6	BBDO International	1,605.5	1,40[illegible]
7	Leo Burnett Co.	1,487.4	1,33[illegible]
8	Saatchl & Saatchl Compton	1,362.6	1,02[illegible]
9	Doyle Dane Bernbach	1,235.0	1,15[illegible]
10	Foote, Cone & Belding	1,195.9	1,15[illegible]

Source: Advertising A[illegible]

Europe sorts out alignments

A DECADE after Britain joined the EEC and more than 20 years after the Treaty of Rome was signed there are increasing signs that manufacturing companies and advertising agencies are beginning to treat Europe as one market.

Under pressure from new technology, European governments are changing their attitudes to commercial television, and the spread of true commercial television through Europe is already affecting agencies and advertisers.

In January next year, for example, West Germany will get its first truly commercial TV channel with the launcb of RTL-Plus. To begin with it will only cover two regions—Rheinland-Pfalz and Saar—but it will offer advertising spots in the natural break format as opposed to the block advertising available and advertisements will be carried after eight o'clock in the evening for the first time.

Ogilvy and Mather's Euromedia predicts that "within two years it is quite possible that RTL-Plus could be the largest channel in audience terms where it is available." Recent experience in Italy would appear to support that view. In 1976 the Italian Government's monopoly or broadcasting was declared unconstitutional and hundreds of private TV stations took to the air waves.

Things are now so chaotic that O and M in Italy estimates that there are 900 stations on the air while SSC and B Lintas in Milan puts it at 600 stations. But within the private TV station there are four ad hoc networks and one of them, Canale 5, has, within three years, reached the same oudience levels as the major state-owned channel, RAI 1.

France too has seen changes on TV, with the availability earlier this year of regional TV advertising for the first time. "This gives us test market opportunities which we have been asking for for years," says Phillipe Charmet, chairman of Lintas in Paris. Mike Chapman, vice-chairman of Ogilvy and Mather in London points out that this will also make it easier for companies to test TV advertising without paying the full network rates. "It is a half-way bouse—it lowers the entry price to television.

"What is happening in the media will set off a chain reaction which will affect many other areas," says Mike Chapman. One effect of the changes in media is an increasing movement by international companies and agencies to sort out their international alignments.

Joe de Deo, president of Young and Rubicam Europe, cites the case of Kodak which earlier this year appointed three international agencies—Y & R, McCann-Erikson and J Walter Thompson—to handle all of its worldwide advertising. This move involved the firing of 53 local agencies around the world.

"This is a trend which has been developing over the last four or five years," says Mr de Deo, "and it is a trend which will continue. Next year it might even snowball." Y & R itself has recently been involved in a big change of allegiance, dropping $60m of Procter & Gamble advertising around the world in order to take on $120m of business from Colgate-Palmolive.

Structural changes

"This business has always been led by client needs," says Mr de Deo, "and they do need to develop a European business." The large agencies are moving in parallel. Earlier in the year Y & R took a 40 per cent stake in the UK agency Collett Dickenson Pearce and will be helping it to develop a European network of creatively oriented agencies.

While these structural changes have been beginning to take place, most of Europe has been in recession. Advertising expenditure, though, has been remarkably unaffected. The spread of private TV has pushed the total advertising spending in Italy up by 40 per cent in real terms over the past four years. The Mitterand Government in France, however, has not had an appreciable effect on the level of advertising. Lintas's Charmet reports that there is a continuous growth trend with expenditure growth running 5 per cent to 6 per cent ahead of inflation.

In West Germany, advertising expenditure has been steadily increasing as a percentage of GNP, but the agencies are not seeing the fruits of this growth as much of the extra advertising has come from the retail chains who do all their own advertising, cutting out the agencies.

Italian agencies, too, have missed out on some of the boom since the small companies now coming onto private TV often use small studios or even do-it-yourself advertising rather than the established agencies.

Belgium and Holland make an interesting contrast. With similar economic conditions prevailing — a decline in consumer purchasing power, strong retail chains who are launching generic products and squeezing manufacturers' margins — there have been two very different reactions.

In Holland, advertising spending has fallen substantially as the manufacturers pout their promotional money into the stores to buy distribution, while in Belgium odvertising spending continues to grow.

"In Belgium it is cheaper to fight for sales volume because it is so expensive to lay people off," says Andre Bernard, chairman of Lintas in Belgium.

Looking to the future, the Italian experience implies that the spread of TV advertising throughout Europe will raise advertising expenditure significantly. Where the UK and U.S. with well-developed TV advertising, have spending and advertising running at over 1.3 per cent of GNP, in much of continental Europe the percentage is between 0.4 and 1.0 per cent.

Howard Sharman